Monday June 6 1988

Ghana: finding a way to ease austerity, Page 25

No. 30,556

**World News** 

#### Shultz warns Investcorp Israel over poised to deadlocked peace moves of Gucci

MR GEORGE SHULTZ, the US Secretary of State, told Israel yes-

closer. His unusually blunt message was clearly intended to shake the right-wing half of the Israeli coalition government out of its complacency. Page 26

The state of the s

on applie

the results of the control of the co

o greated b

to be these of the control of the co

the named o

Liberton adez

the of this epe-tion is thereby the standards

V 1 2 1 2 6 2 6 10

in the following

71 to 10 cm

ALL AND

- THE

the other god

ii Larrett :

MANUTALE FOR REL

: Laura Gra

South 188

 0 05-42 127 64 6

ar ar tak 🗷

2126

The second secon

: : E 🛬 :

. of a 12

its history, to take on the regime in presidential elections on July 6. The Mexican Socialist Party has joined forces with the swelling left-wing nationalist current led by Mr Cuauhtemoc Cardenas.

#### Soviet explosion

At least 68 people were killed and 230 injured on Saturday when a Soviet freight train packed with within the EMS last week, in spite of legislation within the EMS last week, in spite of legislation within the EMS last week. explosives hlew up as it entered a station in Arzamas, 400km east of Moscow, the oficial Soviet newsagency Tass reported.

as horrified diners abourd a float increased ing restaurant watched help. The Ita

#### March through Madrid

pacifist groups marched through central Madrid to protest against a Nato foreign ministers meeting set for this week in the Spanish

#### Philippines ambush

Communist rebels of the New People's Army ambushed a pla-toon of Government soldiers, kill-ing 16 and wounding eight others in one of the bloodlest rebel ambushes this year.

#### Swedish sub hunt The Swedish navy fired depth charges and anti-submarine grenades at suspected underwater intruders off the country's south-

# that plans to settle a long-stand-ing Iranian financial claim were part of a move to buy the release of British hostages in Lebanon.

Italian home for US jets to Nato'a request to accommodate in Italy the 79 F16 US fighter bombers which will have to quit their base near Madrid in Spain in the next three years. Page 2

#### Palestinian clashes

Palestinian guerrillas loyal to Palestine Liberation Organisa-tion Chairman Yassir Arafat battled with mortars and machine guns against Syrian-backed dissi-dents in the Bourj el-Barajneh

#### Wilander victory

Mats Wilander (Sweden) beat Hemri Leconte (France) 7-5, 6-2, 6-1 to win the French champlonships

#### men's singles final in Paris. Yachtswoman's record

Australian yachtswoman Kay Cottee sailed into the record books after completing the first ment. Page 3
non-stop sole circumnavigation by a woman.

#### Indian withdrawal India is to start withdrawing 2,500 troops from Sri Lanka tomorrow. Page 3

**Business Summary** 

# gain control

INVESTCORP, international investment bank founded for pri-Secretary of State, toid israel year terday that failure to make progress in the deadlocked Middle East peace process could bring another regional war much maker of luxury handbags, shoes, clothes and fashion accessories.

KOOR INDUSTRIES, leading Israeli company responsible for more than 10 per cent of the Mexico left unites

MEXICO'S left has put together a united his before, to take a take a mitted his before, to take a take a mitted his before, to take a ta

#### GUARDIAN newspaper of Britain, is considering launching a European edition. Initially the newspaper is thought to be exper-

imenting to find out if a Euro-pean edition should be a seasonal newspaper. Page 5.

spite of losing ground to the US dollar. Investors unwound long yen/short D-Mark positions and also switched out of sterling. The Bundesbank left key inter-

Couple burnt alive
Unidentified youths attacked the makeshift shelter of a homeless couple on the banks of the River Seine ontside Paris and hurnt them to death with a petrol bomb as horrified diners about a float.

The Italian lira finished on a



intruders off the country's southeast coast.

The chart shows the two constraints on European Monetary System exchange rates. The upper off the chart shows the two constraints on European Monetary Strongest supporters of Mr Gorba-System exchange rates. The upper grid, based on the weekest carried by the Moscow Communist Party cross-rates from which no currency in the system, defines the formers were rejected by the Moscow Communist Party constituted as delegates for the formal political effort to ensure smooth presidential election.

WK denies hostage deal

British Foreign Secretary Sir Geoffrey Howe denied charges that plans to settle a long-standing Iranian financial claim were

debate over the scale and pace of Communist Party, called for Mr economic and political reforms.

SOMMER ALLIBERT, French plastics processing group, has acquired for FFr320m (\$54.5m) it wall and floor coverings as well as carpets and other components for the car industry. Page 30 The Italian Cabinet agreed unanias carpets and other components mously at the weekend to agree for the car industry. Page 30

RAUL GARDINI, head of Italy's Ferruzzi-Montedison chemicals and agro-industrial group, appeared to be setting the stage to hny control of a financial newspaper and to sell control of one of Italy's biggest department store chains to Silvio Berluscom, the king of private television. Page 32

UK gilts

Unit Trests .

US bonds .

# French Socialists falter in first round as voters stay away

BY IAN DAVIDSON, PAUL BETTS AND GEORGE GRAHAM IN PARIS

sweeping re-election last month. Socialist Party leaders were downcast by a result which fell far short of the forecasts in far short of the forecasts in recent opinion polls, and centreright leaders were equally clearly elated by the hope of reprieve from a socialist landslide.

The setback for the Socialist Party appears to be partly the result of a record level of abstentions. The final result of these elections will depend critically both on the turnout in the secon round of voting next Sunday, and even more crucially on the voting behaviour of those who voted

yesterday for the extreme right-wing National Front.

Mr Jean-Marie Le Pen, leader of the National Front, said last night: "There is no victory possi-hle for the previous majority without the votes of the National

According to one early computer projection, the Socialists seemed likely to secure between 300 and 320 seats in the 577-seat than 12.5 per cent of the elector-National Assembly, with 240-260 ate are eligible to go forward to seats going to the neo-Gaullist the second round next Sunday.

RPR party and the UDF centre
Both main forecasts estimated

THE OUTCOME of France's gan- 270-300 for the RPR-UDF, which just under 10 per cent of the eral elections last night hung in could give slim absolute majority the balance after the first round to either of the major political of voting, with the Socialist Party formations. In other words, this doing considerably less well than had been expected in the wake of possibility that the outgoing centresident François Mitterrand's tre-right coalition could still retain a majority in the National Assembly, and prolong the dilemma of "cohahitation" between a socialist president and

between a socialist preside of and a right-wing government.

Both poils agree in forecasting that the National Front, which caused an "earthquake" in the first round of the recent presidential election, would lose all its 32 seats. This is mainly the consequence of the shift from proportional to majority voting.

The Communist Party, also

handicapped by the majority vot-ing system, may have fared less hadly: it is expected to secure between 0 and 15 seats, compared with 35 in the outgoing Assem-All these forecasts are sur-rounded with great uncertainty because they derive only from the first round of voting. Only those candidates with 50 per cent

of the vote in their constituency secure their seat outright in the first round; only those with more

national vote, well down on the 14.4 per cent of Mr Le Pen in the first round of the presidential elections, and apparently not enough to win a single seat. The Communists appeared to

show a significant recovery from their poor showing in the presi-dential election, by scoring more than 11 per cent, which was not merely better than their 6.7 per cent in the presidential election, but also slightly higher than their score in the previous general elections of 1986. The turnout rate in yesterday's

ballot was an all-time low in a general election in the 30-year history of the Fifth Republic. According to early calculations by the BVA polling institute, the abstention rate yesterday totalled 34.5 per cent, compared with 21.5 per cent in the first round of the 1986 general elections, and 18.6 per cent in the first round of the intense negotiations within the candidates, either on the left or

recent presidential elections.

The next few days will witness Socialist Party, to decide which seats to concede to non-Socialist in the centre, as part of President Mitterrand's strategy of enlarg ing his parliamentary majority Similar negotiations will also be under way between the parties which made up the previous right grouping. that the RPR-UDF had won about right and centre-right govern-But another poll predicted that 39 per cent of the national vote, ment coalition, to maximise their the Socialist Party would win and the Socialists about 36 per defence against the threat from only 290-302 seats, compared with cent. The National Front scored the National Front.

# Ligachev pledges loyalty to Gorbachev and reform

MR YEGOR LIGACHEV, widely US-Soviet summit in Moscow.

MR YEGOR LIGACHEV, widely US-Soviet summit in Moscow.

Mr Ligachev'a speech was implementing this policy, and are delivered at a car factory on the hooke a long silence at the week. Volga, where he defended the end and pledged his loyalty to Mr process of perestroika, and Mikhail Gorbachev, as the Soviet accused "enemies in the west, leader himself sought to calm the and some people in our country to (60 melting allearities about to of reforming from within the

increasingly passionate debate in the ruling Communist Party. Statements by the two key fig-ures in the Kremlin coincided

shake . . . too much emotion is socialism," he said.
what we do not need."

The allegations about a split in the leadership finally became public inside the country last week, after Mr Boris Yeltsin, former leader of the Moscow City Communist Party, called for Mr

accused "enemies in the west, and some people in our country too, (of) making allegations about differences in the Soviet leader ship, in the Polithuro."

Mr Gorbachev's was made at the plenary meeting of the Moscow Communist Party central committee at which he compared that our country's econtral committee at which he compared that our country's econtral committee at which he compared to the footing of tral committee, at which he omy be placed on the footing of called on party members not to the Western market economy, panic and not to shiver and there is little that remains of chake

Mr Gorbachev's emphasis was on the need to press further the reform process, and on the need for "democratisation" of the party. He admitted that "the reform of the economy is not giving as many results as we would like," which he blamed on "inertia and old-style management." Mr Ligachev's theme was rather that perestroika was already producing economic results and better living standards. Bussian Church to talk to Cuthe-

# EC members urged to apply

THE European Commission has that restrict access to foreign Under the proposed directive, asked member states to begin banks include Canada, Australia member states would have to

Page 32

asked member states to begin applying a controversial reciprocation of the proposed space group, has won work worth between £25m and £40m as a result of recent hig orders from US and other airlines for Boeing airliners and for Rolls-Royce jet engines.

BOYAL DUTCH/SHELL will explore 49,000 sq km off south western India for oil — after more than a decade's absence from the special controversial reciprocal access to begin applying a controversial reciprocal access to buy large states to begin and some Nordic countries.

The reciprocity article was tons by third country banks to inserted into the directive at t

# banking reciprocity provision BY DAVID LASCELLES, BANKING EDITOR, IN LONDON

ROYAL DUTCH/SHELL will explore 49,000 sq km off southwestern India for oil — after more than a decade's absence from the country— through a new Netherlands-registered company called Shell India Production Development. Page 3

\*\*VENIEZUELA'S national oil company. Petroleos de Venezuela, is likely to be investigated following allegations of extortion by gerecutivas in connection with a contractors working for the company. Page 3

\*\*MINING THE Commission of establish themselves in the mouths ahead in order to be extended to be high in the Commission's mind. Other countries for the lands substant of the EC council for dealing with the EC countries to proposed to its inclusion, including the UK which fears that Low members to begin applying the one, which plays to host to several hundred foreign banks, could be snarled up in virtually every reciprocity dispute affecting a member state.

Although the UK has used reciprocity with some effect against the individual member level.

A number of EC members are to proposed to its inclusion, including the UK which fears that Low members to begin applying the reciprocity test is likely to meet countries are not used to be snarled up in virtually every reciprocity dispute affecting a member state.

Although the UK has used reciprocity with some effect against the countries are named, Japan is believed to be high in the Commission's mind. Other countries ferred to Brussels.

EC bank unless reciprocal access the EC countril for dealing with the EC countril for dealing with the EC countril for the EC

#### Anthony Harris: When the familiar become UK: Hanging's place is in the legal history Editorial Comment: Creating a new Opposition; Backward steps in Singapore \_\_ Enropean Market: Ploughing a furrow to Lombard: Tax reform within strict limits \_ 25 Lex: Opec, US corporate leverage; News Cor-

#### **UK Labour** leader says he will drop unilateralist policy

By Michael Cassell in London MR NEIL KINNOCK, leader of Britain's opposition Labour Party, yesterday threatened to provoke a major row within his party by confirming his intention to abandon its commitment to unilateral nuclear disarmament.

In remarks on British televi-sion which will enrage his party's left wing and draw criticism from other sections of the membership, Mr Kin-nock signalled his readiness to drop the unilaterist approach on which Labour has fought and lost successive general

Dropping Labour's unilateralist stand would constitute one of the most significant policy reversals for the British war II. Mr Kinnock said that recent developments on arms control and the improvement in cast-west relationships meant the principle of "some-thing for nothing unlisteril-ism" was now redundant. There was, he stressed, no lon-

ger any need to insist on a "go-it-alone" approach. He rejected recent left-wing calls for the leadership to declare the party's unequivo-cal commitment to unilateralism, indicating that It was no longer appropriate when the nuclear arms "log-jam" had been broken by the US and the Soviet Union.

Rejecting what he described as left-wing "incantations," he said the challenge was not just to eliminate British nuclear eapons but to ensure a significant reduction in Soviet nuclear forces, Labour now had to consider how best the arms reduction process could be accelerated.

His stand will inevitably sharpen the party leadership contest which is currently

Mr Tony Benn, who is standing against Mr Kinnock, is firmly committed to the unilateralist cause and has warned that the party will alienate MPs and many traditional Labour voters if it is dropped. Mr Kinnock nevertheless firmly endorsed Labour's nonits commitment to decommission Trident, which is scheduled to be operational in the

But he indicated that, in contrast to Labour's previous, unqualified commitment to decommision Trident npon assuming office, the weapons system could be used as part of the arms reduction process.

Continued on Page 26

# **Bond Corp to** bid A\$850m for Bell Group

D 8523 A

Holmes à Court's Bell Group.

The move, due to he Mr Holmes à Court for A\$2.50 per announced today, follows lengthy share. private investigations by the The two deals were sensational National Companies and Securibecause, although they left Mr

of companies, and will open a prompted intense controversy. fresh one for another of Austra-lia's mercurial entrepreneurs.

as a corporate raider, while consell at the attractive above-mar-siderably expanding Mr Bond's ket price Mr Holmes à Court own vast business empire and secured.

that all Bell Group shareholders, might have been some under-including a number of disgrun-standing between the SGIC and tled large institutions, will now Bond Corporation in relation to have a chance of accepting the the future management control A\$2.70-a-share offer made by Continued on Page 26

BOND CORPORATION, the Bond Corporation for the 19.9 pe Perth, Australia-based brewing and media multinational controlled hy entrepreneur Mr Alan Bond, is to make an A\$850m (\$680m) cash bid for Mr Robert Holmes à Court's Bell Group.

The move due to be Mr Holmes à Court for A\$250 per cent shareholding from Mr Holmes holding from Mr Hol

The two deals were sensational ties Commission (NCSC), Austra- Holmes à Court with 6 per cent of lia's corporate watchdog.

Bell Group, they confirmed he
lt will conclude the most was ahandoning a complex extraordinary chapter yet in the restructuring and was relinquish-post-crash saga of the Bell stable ing control. But they also One reason was that almost 40 per cent of the media, equipment Success for 50-year-old Mr and investment company was Bond will speed Mr Holmes a changing hands without giving Court's retirement after 20 years other shareholders a chance to

Another was the suspicion that The move is a notable achieve- Bond Corporation and the SGIC ment for the NCSC, long might be associates, that Mr regarded as toothless and under- Bond might acquire control of resourced. Only 12 days ago, leg- Bell Group without making a full islation was introduced in the bid.

federal parliament to replace it with a more powerful body.

The latest developments result from an agreement reached late the subject of a separate A\$825m last week after hearings in Mel- hid from two other entrepreneurbourne involving the NCSC, ial heavyweights, Sir Ron Brier-Bond Corporation and the West-ern Australian State Government Insurance Commission (SGIC). In today's statement, the NCSC confirms its investigations led it to the "tentative view that there

#### Baker seeks to allay **US** inflation fears

sury Secretary, yesterday sought to dampen fears in the financial markets about a resurgence in mflation and pronounced the current course of US monetary pol-icy as "very satisfactory." in a hollish assessment of the US economy, Mr Baker said infla-

tained, moderate growth "well into the foreseeable future." Mr Baker's remarks, made during a TV interview, had the ring of a election speech on behalf of his friend and probable Republi-can presidential candidate, Vice President George Bush. However, Mr Baker ruled out

- for the time being - a move

MR JAMES BAKER, the US Trea- over to the Bush camp as campaign chairman. "There is no agreement, no arrangement, no deal, no understanding," said Mr Baker, citing a busy agenda as Treasury Secretary.

Amid reports of feuding among

Mr Bush's advisers over the Vice tion fears were "vastly over-polls, many Bush backers hope to blown" and he predicted sus-see Mr Baker in charge of the see Mr Baker in charge of the campaign by the Republican con-vention in New Orleans in mid-

Tomorrow the last round of Democrat and Republican presi-dential primary elections is held in California, New Jersey, New Mexico and Montana. Mr Bush, the sole remaining Republican, is Continued on Page 26

ANZ. The bank with the global view.



In the past Australian banks have tended to concentrate on their home market to do business.

Not so at Australia and New Zealand Banking Group, which includes Grindlays Bank and has assers of over £26 billion.

The group has an international network with more than 1,600 branches and offices in over 40

Both ANZ and Grindlavs have over 150 years experience in financing international trade and today offer a full range of banking and financial services.

When your business needs finance, talk to ANZ. You'll benefit from our local knowledge - and our

# ANZ Worldwide

Australia and New Zealand Banking Group Limited
Head Office: 55 Collins Street, Melbourne, Victoria 3000, Tel: (03) 658 2955 Telex: AA 39920
London: Corporate Minerya House, Montague Close, London SEI 9DH, Tel: 01-378 2121
Talen: 8812741-4ANZBKA G.
London: SWIV 41 F. Tel: 01 020 4611 Telex: 8852741-44NZBKA G. Private Bank: 13 St. James's Square, London SW1Y 4LF Tel: 01-930 4611 Teles: 885043-6 Merchant Bank: 65 Holborn Viaduet, London EC1A 2EU Tel: 01-489 0021 Teles: 88981/9419031 ANZMB G

Treasury: 55 Gracechurch Street, London EC3V 0BN. Tel: 01-280 3315 (Enquiries) AUSTRALLA-BAHAMAS-BAHRAIN-BANGLADESH-BRAZIL -CANADA-CANAN ELANDS-PEUPLE'S REPUMATUF CHINA-FIRI-PRANCE -CERMANY-GHANA-CREECE-CUTERINSHI-HANG ROYG-ENDISH-INDUNESH-HRIN-OTHAL-HAN-JERSEY-JORDAN-RE-YN-REPUBLIC OF ROBLA-MALA-MA-MONALO-NEBLA-NEW ZEALANDA-NERRH-COMAN-MRENEN-KA-MAPI A-NEW GUINEA-GARAIN-SINGAPORE-SULCOMO SELANDS-SANIN-SEI LANSA-MENTITE BLANDA-TANAN-THAL-DUTA-MEN-LANDA-NERRH-CHINA-UNITED AZAB EMIRATES-UNITED REPUDOM-HINTED STOTES OF AMERICA-WANINTI--ZAIRE-ZAMBLI--ZIMBABWE

#### CONTENTS

Overseas : 27-28 Companies . ..5-9 Britain . Companies

Arts - Reviews **World Golde** Raitorial comment

Intl. Capital Markets



MONDAY PAGE

INTERVIEW Raymond Snoddy talks to Lord Rothermere, Associated

Newspaper Group chairman, Page 10

Southern France: Survey .....

# Gardini prepares to shuffle assets

MR RAUL GARDINI, the unpressive of the normal corporate and doubtedison chemicals and agropolitical influences which characterise from the stage at the weekend for a waltz of assets that could see him buying control of a finanterial property developer. Yesterday, in a separate developer of the supposed of the normal corporate and that the government of Prime be incorporated into Ferruzzi, which in turn owns 42 per cent of Montedison. The valuation of Standa is an important element of the Farruzzi stations to divest their control or newspaper and selling control of one of Italy's higgest open and selling control of one of Italy's higgest of the normal corporate and that the government of Prime be incorporated into Ferruzzi, which in turn owns 42 per cent of Montedison.

The valuation of Standa is an important element of the Farruzzi stations to divest their control or newspapers and vice versa.

The offer for Standa meanting in exchange for META. There cial newspaper and selling con-trol of one of Italy's biggest opment. Ferruzzi confirmed that department store chains to Mr it had received an offer from Mr

Finns 'face

steep rise

stations to divest their control of newspapers and vice versa. The offer for Standa, mean-

restance of the large of the large of negotiations to acquire Italia Oggi, the loss-making financial rewspaper launched in 1986 as a sell control of one of Statuday in a separate development, ferruzzi confirmed that the department store chains to Mr Silvio Berlusconi, the king of private television.

A spokesman for Mr Gardini confirmed on Saturday that the debt-laden Ferruzzi Montedison to the as-yet-unitsted from the quoted from the proper for META. There is next store chain is being transfer for Standa, mean ferred from the quoted from the quoted from the quoted from the quoted from the financial world that the deal is an exercise in asset-stripping which rides roughshod over the from both Italian and foreign stockbrokers and investors in exchange for META. There is never already been charges in the financial world that the deal is an exercise in asset-stripping which rides roughshod over the from both Italian and foreign stockbrokers and investors in exchange for META. There for Standa, mean for the quoted from the quoted from the quoted from the properties of Montedison's 100,000 small investors. It is thus hard to see any deal being concluded until Mr Gardini has formally stockbrokers and investors in exchange for META. There for Standa, mean the change for META. There for Standa, mean the change for META. There for Standa, mean the change for META. There for Standa in exchange for META. There for META. There for Standa in exchange for META. There for META is the financial world

# Abruzzo awaits UK invasion

in debt' By Offi Virtanen in Helsinki FINLAND FACES accelerating inflation and a steep rise in external debt unless real wage increases remain under 2 per cent in 1989, the country's lead

ing forecasters warn in a joint The group, consisting of heads of Finland's five leading conomic forecasting institutions including the Bank of Finland and the Finance Ministry, was invited by the government in an unprecedented move to find ways to stabilise economic development next

The unanimous report con-cludes that the only way to avoid problems is to forge a comprehensive incomes policy for 1989, including tax adjustments and social policy measures.

This year's high wage increases, the group says, broke the trend of declining inflation rates that bad continued throughout the 1980s.

A VARIED squad of British businessmen, diplomats, old soldiers and a military hand descended on the Abruzzo at the weekend, ready to dedicate the coming week to boosting commercial links between the UK and this little-known corner of Italy.

The Abruzzo has never been a name to conjure with, nor one easily located on a map, though happily the man who piloted Concorde into Pescara airport eam of British businessmen for "Anglo-Abruzzese week" led by a brace of knights, Sir Paul Giro-land, the chairman of Cable and Wireless.

In search of commercial understanding, they and others will have a few days to traverse this.

Blessed with an entrepreneur-ence in Pescara on Wednesday on "Water and Environment - Legisth which is swiftly lifting "Water and Environment - Legisth which is swiftly lifting "Water and Environment - Legisth which is swiftly lifting "Water and Environment - Legisth which is swiftly lifting "Water and Environment - Legisth which is swiftly lifting "Water and Environment - Legisth which is swiftly lifting "Water and Environment - Legisth which is swiftly lifting "Water and Environment - Legisth which is swiftly lifting "Water and Environment - Legisth which is swiftly lifting "Water and Environment - Legisth which is swiftly lifting "Water and Environment - Legisth which is swiftly lifting "Water and Environment - Legisth who have cleared their diaries for the spiritish mental part of things. They Ambassador to Italy. Sir Derek leaped at the British Embassy's Thomas, Mr Remo Gaspari, the Minister for the Mezzogiorno, the Sth Royal Innishiling Draw who is a native Abruzzes, and the Minister for the Environment - Legisth who have cleared in the who have cleared in the who have cleared in the spiritish mental part of things. They Ambassador to Italy. Sir Derek leaped at the British Embassy's Thomas, Mr Remo Gaspari, the leaped at the British Embassy's Thomas, Mr Remo Gaspari, the leaped at the British Embassy's Thomas, Mr Remo Gaspari, the leaped at the British Rembassy's Thomas, Promas on include the

standing, they and others will ence on "Alternative Tourism - profile from its current location have a few days to traverse this Great Britain and Abruzzo; two in the Abruzzo's hasement mountainous, gloriously beautiful region on the Adriatic Sea on the opposite side of the Italian peninsula from Rome.

\*\*Change can drop in on a chiner least raise the UK of Continuation and Abruzzo; while from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current location in the Abruzzo's hasement.

\*\*Alternative Tourism - profile from its current loc

# Italian home for US bombers

Consumer prices, the forecasters expect, will rise by at least 6 per cent by the end of this year compared with 3.7 per cent in 1987. That rate would be twice as high as in most competitor countries.

The group estimates that the external debt in 1987-89 could rise to FM 30bn-FM 35hn (£4.05bn-£4.7bn).

Meanwhile, the deficit in the current account is expected to rise to FM 10bn by the end this year from a deficit of FM 8.5bn in 1987.

BY JOHN WYLES

THE ITALIAN Cabinet agreed unanimously at the weekend to agree to Nato's request to accommodate in Italy the 79 F16 US fighter bombers which will have to 9 F16 US fighter bombers which will alway to quit their base near Madrid in Spain in the next three years.

The decision, which had been in odoubt, will be fiercely contested by parties to the left in Parliament this Wednesday and Thursday. The Communists say the nove should be suspended to allow time for East-West agree.

No final decision has been with them, estimated at up to L800hn (£347m), Italy will almost certainly opt for Crotone, which needs all the investment taken on where to base the air-



# The power of foresight. Worldwide.

In a complex world where even the slightest changes in economic factors can have widespread repercussions, foresight is essential. As a top-ranking European bank firmly established among the world's leaders, BNP puts its intimate knowledge of world economies to work for you.

With offices in 74 countries, BNP monitors international markets 24 hours a day, gathering and analysing up-to-the-minute data to keep you fully abreast of market changes. With a specialized teleprocessing network and one of Europe's most advanced trading rooms, BNP offers clients the

advantage of constantly updated, clear and precise market reports to help them determine the right moment to act, in Europe\_ and throughout the world.



Banque Nationale de Paris. World banking is our business.

#### Talks over Iran embassy payment

By Michael Cassell, Political

TALKS will take place in London this week which could result in a this week which could result in a near-22m compensation payment to Iran for the damage caused to its London embassy when it was stormed by the SAS in 1980.

The Princes Gate building was burned out during the ending of a bostage siege and any agreed payment is expected to be offset by a £900,000 offer of compensation from the Iranian Government to cover damage caused to

Iran during the revolution.

A four-man Iranian delegation will arrive in London tomorrow to discuss the issue with Foreign Office officials.

ment hopes a settlement will help improve relations between the two countries it was being force-fully stressed yesterday that the talks did not form part of any initiative aimed at securing the release of British hostages in the

nian property. He added: "There is nothing of wider significance. Our policy on hostages is absolutely clear - no deals.

#### Bankers set up finance studies

EUROPEAN bankers meeting under the chairmanship of Mr Alfred Herrhausen, of Deutsche Bank, have decided to set np committees to investigate key European financial issues, writes David Lascelles, Banking Editor. They are:

Private financing of European

high technology and large infra-structure projects (to be chaired by Mr Marc Vienot, president of Société Générale) • The monetary system in

Europe (Dr Alfanso Jozzo, gen-eral manager, Istituto Bancario San Paolo di Torino). European capital markets and their regional development (Mr Rainer Gut, president of Credit

· Cross-border co-operation and mergers between European finan-cial institutions (Mr Charles Green, deputy chief executive, NatWest).

 Capital adequacy rules for financial institutions in Europe (Mr Jakob Palmstierna, president of Skandinaviska Enskilda Ban-

#### SHIPPING REPORT Charter prices ease for tankers

PRICES for chartered tankers in the Arabian Gulf sector softened last week as a result of low activity, which spread as traders awaited the ontcome of next weekend's Organisation of Petroleum Exporting Countries meeting, writes Hugo Dixon.

Smaller-sized vessels were hit particularly hard, according to Galbraiths the shipping brokers.

Galbraiths, the shipping brokers Although there were a number of inquiries, the build-up of tonnage from previous weeks left charter ers with considerable choice. A New York charterer secured cover for 80,000 tons at World scale 65.

The only bright spot in the market, according to EA Gibson Shipbrokers, was the resurgence of West African rates. An "encouraging" number of vessels obtained employment at increased rate levels.

## Norway plans to cut growth rate of defence spending

BY KAREN FOSSLI IN OSLO AND ANTHONY MCDERMOTT IN LONDON

THE NORWEGIAN Government cent of the annual budget. The has approved a five-year defence new plan emphasises the need for plan, amounting to NKr101bn improved productivity and calls (£8.9bn), under which the annual for staff reductions of 1 per cent a

(£8.9bn), under which the annual real growth rate in military spending would fall to 2 per cent a year, compared to 3.5 per cent in the last five-year period.

There are, however, doubts whether even this 2 per cent level can be reached. Norway has prided itself on the percentage of its gross national product it has paid out as a member of Nato. At this reduced rate it would be a debated in the Storting (Norway's fluancial contributor on these realization in late autumn, terms ahead only of Luxembourg. ment to cover damage caused to British diplomatic premises in terms ahead only of Luxembourg. The five-year defence plan, covering the period 1989-1993, has already proved controversial because of a conflict between Mr Johan Joergen Holst, the Defence Minister, and his chief of defence.

Although the British Govern-Mr Vigleik Ride, about the budget requirements during the However, he could not guarantee period. Mr Eide had insisted a that a 2 per cent annual real minimum annual real growth rate of 3 per cent was needed.

The previous five-year plan real growth in expenditure would be achieved. Sceptics believe the real growth in defence spending (1984-88) amounted to about over the five-year period may NKr88bn and took about 10 per only reach 1 to 1.5 per cent.

Lebanon.
Sir Geoffrey Howe, the Foreign
Secretary, said yesterday that the
meeting was exclusively intended
to solve the long-running dispute
over damage to British and Ira-

## New Palme inquiry sparks Swedish row

REVELATIONS about a secret the Government.

Sovernment-funded private invesBoth the Swedish police and government-funded private inves-tigation into the murder of Swedisb Prime Minister Olof Palme has plunged the Swedish Govern-ment into a sudden political cri-and their investigations appear

demanding the immediate resignoperation conducted by Mr Ebbe nation of Justice Minister Anna-Greta Leijon, who gave her funds and a letter of introduction approval to the inquiry led by a publisher and former Justice him in his inquiries.

Ministry official, Mr Ebbe Carls
Mr Carlsson believes that the mount representation and a letter of introduction approval to the inquiries.

Mr Carlsson believes that the mount representation are representation and a letter of introduction approval to the inquiries. son. The Opposition may seek a vote of no confidence in Mrs Lei-jon in Parliament this week, and the Government would lose the wote if they failed to win the sup-port of the Communists, who normally vote with the ruling Social

unclear what the Communists intend to do. The Prime Minister, Ingvar Carlsson, was consulting senior ministers about what to do in a

crisis that has erepted in only a few days. So far, the Government is backing Mrs Leijon and she is refusing to resign.
The Government

ties insist the whole affair dence to suggest the PKK was amounts to an abuse of power by involved in Palme's murder.

intelligence services have so far failed to discover who killed Mr Palme two and a half years ago to have run into the sand. It was their failure that convinced Mrs The three main opposition their failure that convinced Mrs party leaders in Parliament are Leijon to approve a freelance

envisage expenditure on equip-ment falling to NKr27bn, com-pared to NKr33bn in the previous

five-year period. Mr Holst eaid consideration

had been given in preparing the budget to the difficulties Norway

was experiencing in its economy

him in his inquiries.

Mr Carlsson believes that the
group responsible for the murder
is the Marxist-Leninist Kurdish Workers Party (PKK), a terrorist organisation, but he has also claimed that Iran used the PKK to have Mr Palme assassinated because the Swedish Prime Minister had alberedly stormed illegal ister had allegedly stopped illegal arms supplies to Tehran. No hard Democrats. This weekend it is facts have emerged so far to jus-

tify such a theory. Mrs Leijon believes the intelligence services in Sweden have failed to take much serious notice of the PKK allegations and Iran, and it was for this reason that she decided to back Mr Carlsson's investigation.

opposition is trying to exploit the situation for political advantage close friend of Mr Ebbe Carlsson, was opened yesterday by Mr three months before the general election, but the opposition paraller he failed to find any eviluation's new Attorney-General.

#### **WORLD ECONOMIC INDICATORS**

USA 000's	May '88	Apr.'88	Mar.'88	May '87
	6,783.0	6,610.9	6,801:0	7,573.0
	5.6	5.4	5.6	6.3
UK 600's Japan	Apr.'88 2,536.0 9.1 1,570.0 2.6	Mar.'88 2,592.1 9.3 1,620.0 2.6	Feb.'88 2,665.5 9.6 1,730.6 2.7	Apr.'07 3,107.1 11.1 1,900.0 2.9
W. Germany 000's  Netherlands 000's  Reigium 000's	Mar.'68	Feh.'88	Jan.'88	Mar.'07
	2,440.1	2,516.5	2,518.7	2,412.4
	8.9	9.2	9.2	8.8
	686.9	700.7	700.3	692.2
	12.0	12.2	12.2	12.1
	458.5	476.1	493.8	495.2
	11.1	11.6	12.0	12.0
France 000's % 000's Kaly 000's	Jan.'88 2,689.3 11.5 3,531.0 15.2	Dec.'87 2,676.6 11.4 3,447.0 14.8	Nov.'87 2,670.4 11.4 3,325.0 14.3	Jan.'87 2,728.7 11.6 3,330.4 14.3

#### Russian church to talk with **Catholics**

By Quentin Peel in Moscow

LEADERS of the Russian Orthodox church, which yesterday began elaborate celebrations to mark its millennium, have agreed to hold talks with the Roman Catholic church on the status of an estimated 4m Ukrainian Catholics, whose church is ontlawed in the Soviet Union.

The concession was announced

ontlawed in the Soviet Union.

The concession was announced on the eve of the celebrations by Metropolitan (Archbiehop) Filaret of Kiev, although he continued to deny the existence of the underground church, forcibly united with the Orthodox Church during the rule of Joseph Stalin.

The talks will be held in Finland at the end of the month, after the denarture of dozens of

land at the end of the month, after the departure of dozens of international church leaders, including the Archbishop of Canterbury. Dr Robert Runcie, and Cardinal Jan Willebrands, representing Pope John Paul, at the end of 10 days of festivities.

The agreement to hold talks is seen by religious observers here as a concession by the Russian Orthodox church, possibly under pressure from the Soviet Government of Mr Mikhail Gorbachev, conscious that the status of the

conscious that the status of the Ukrainian Catholic, or Uniate church, is seen internationally as the most obvious example of religious discrimination in the coun-

iry.
In return, the Soviet regime has agreed to an important symbolic concession to the Orthodox church, by allowing part of the historic Pechersky Monastery in Kiev to be given back to the church tomorrow. The monastery was turned into a museum in

The celebration of the millen-nium has been marked by a substantial improvement in church-state relations, culminating in a meeting between Mr Gorbachev and Patriarch Pimen, the head of the church, five weeks ago, at which the Soviet leader promised a new law to protect religious

However, dissidents say the Orthodox church leaders are mostly political appointments, and the millennium celebrations have been marked by a lack of any serious challenge to the continuing restrictions on church activities.

These include a ban on charitahle work, on controlling its own finances; and on teaching reli-gion outside church services. There are only 7,000 working Orthodox churches in the Soviet

Union today, according to unofficial sources, compared with 70,000 before the 1917 revolution. A. H. Hermann, Legal Corre-

Union's new Attorney-General.

The conference will start its working sessions today, dealing with arbitration, new Soviet trade law and the law of inheritance and human rights will be on the agenda tomorrow. They will include the right "to leave and to return", to be discussed by Professor Yoram Dinstein of Tel

Published by the Financial Time (Europe) Ltd., Frankfurt Branch, rep-sented by E.Hingo, Frankfurt/Mai and, as members of the Board of Dis-tors, F. Barlew, R.A.F. McCles G.T.S. Damer, M.C. Gesman, D.E. Palmer, London, Printer: Frankfurt.

FINANCIAL TIMES, USPS N

## Telefax Scandinavia uniting Denmark, Norway and Sweden.

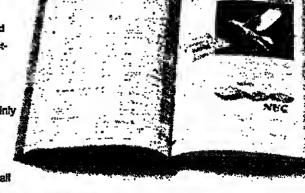
Everybody receives Telefax Scandinavia

don't have to be dull

All companies registered with isosimile in Denmark, Norway and Sweden automatically receives a copy of Telefax Scandinavia. Costiree by mail. In 1987 we sent out more than 28,000 copies free of charge. Facsimile directories

 And Telefax Scandinavia certainly isn't boring. The single sections are usefully divided in bright, daring colours. Europe's most modern facsimile directory

Telefax Scandinevia registr facsimile owners of Denmark,



Norway and Sweden, containing information of name, complete address, telephone number and of course facsimile number. The directory has been divided in more than 350 lines of business and a complete register of names. In other words: A working-tool of the office—the most advanced facsimile directory of Europe.

The Companies of the

The Companies of the Nineties

Telefax Scandinavia isn't only a directory covering the Nordic countries. It is also a directory of the progressive companies of the nineties, who demands the right information at the right time and place. Telefax Scandinavia keeps it's linger on the puise and secures fast and efficient communication with a directory which is more than just a collection of facsimile numbers.

Please forward your business card (marked: Scan) to one of the addresses below if you want to learn more about the unique advar offered by the directory in bringing you into contact with more than 30,000 of the most dynamic Scandinavian companies. If you are residing

In the U.K.: PARALLAX LTD 10 ROSSCOURT MANSIONS 4 PALACE STREET, LONDON SWI 01-826 1338 Parallax is a private organisation, serving British and Scandinavian companies desiring to establish contact before the EEC interior market is fully implemented by 1992.

outside the U.K.: TELEPARTNER A/S SOENDRE FASANVEJ 10 2000 COPENHAGEN F, DENMARK +45 1 332121

Telepartner is the foremost Scandinavian publisher of tax and telephone directories for Denmark, Norway, and Sweden. The company is also enginarketing fax equipment and doubles as a telemarketing bureau as well.

. e 1988

The state of the s

tumple of the

ii iii libe (Ga

Source reme Operation on the Orders of Part of the Montastery of Torritories

To the later

ार्थ के व्यक्ति उन्हर्भ के उद्ध

and in chera-

Maria a

1: 437.322

rn. Lie best

while built

: di proje

denta say te

3 trades p

6 70 60 000

of the night

har offeren एक एक **क्रिक्ट** 

i na sa casa

ា ១១៥២គ្ន

THE PARK TO

100 100

in the Sec.

- 22

NUMBER OF STREET

! ७:५: (वार In the Monte

ुर्वे । वर्षे **गाउ** 

\* # 14 males \* \*

1. "at, 622

- E 25

1 4 TO 1 TO 1

4.5 (28)

jagialem Co

TIMES

Properties of the Properties o

CINCIPATION OF THE PROPERTY OF

Contract of the Contract of th

# Shell to rejoin search for oil off India

BY JOHN ELLIOTT IN NEW DELHI

THE ROYAL DUTCH SHELL group is re-entering India after an absence of more than 10 years to explore for oil off the shores of Kerala and Karnataka states in

It signed a contract in New Delhi on Saturday and is the reserves are discovered. Producfourth international company to join India's third round of offshore exploration, which now covers 120,000 so km. The other companies which have already signed are a consortium of Chevron and Texaco of the US, International Petroleum of Dubai, and Broken Hill Proprietary of Australia. Amoco of the US is still amounced simplifications to its accountability.

negotiating.
India failed in the early 1980s to attract much international attention for its first two rounds because the major oil companies development growth centres, believed its terms were too where special industrial incentough. Now, companies like Shell tives are available, is to be intro-say that India has softened its duced to replace existing backterms sufficiently to balance the

registered in the Netherlands, is to explore two blocks covering about 49,000 sq km. In line with the other companies' agreements, Shell will bear all the exploration risk and will have the right to terminate the contract if no tion will be shared on a sliding scale and Shell'a entire share will be made available to India at international market prices through the government-owned

system of industrial licensing controls over the weekend. About 30 sectors of industry have been freed of controls and a system of ward areas. Requirements for large and foreign-owned compa-A new company called Shell mes to obtain licensing approvals India Production Development, have also been reduced.

#### Junejo 'planned to curb Zia's power'

SERIOUS DIFFERENCES on economic policy, and the discovery incompetence. Politicians and of a plan under which Mr Mohammad Khan Junejo, the Pakistan Prime Minister, would have stripped President Zia of his post of army chief of staff, are amerging as the real reasons behind the sudden dismissal of the entire Pakistani Cabinet and the National Assembly last

The World Bank is threatening to reduce drastically its funding to Pakistan unless big structural reforms are made in the country's economy. The bank, which has already held back a \$200m (£111m) agricultural loan, wants Pakistan to cut its budget deficit before further loans are allocated. But Mr Junejo's Government was expected to present the next budget with an even higher deficit rather than cutting public expenditure and increasing taxa-

President Zla may now be able to produce a more mustere budget acceptable to the World Bank and International Monetary Fund, from which he has requested \$150n in aid.

Junejo had gone so far that Mr month. Junejo had gobe so far that Mr
Junejo was planning not only to
dismiss two senior army generals
but also to strip General Zia of
the powerful post of army chief
of staff. It is through this post
that President Zia controls the
most powerful political constituency, the army.

The deficit for the current
financial year is projected at
RSSDM (£1.9bn), compared with
the last budget forecast of
siders the fiscal deficit of
most
powerful political constituency, the army.

failed to introduce Islamic princi-ples and prevent a breakdown of domestic debt is around 40 per law and order, and had been cent of GDP.

bealth club.

senior diplomats have described this as a "constitutional smoke screen" from the ontset.

The two generals in Mr Juneio's sights were responsible for the huge store of rockets, mis-siles and bombs destined for Afghan resistance guerrillas which blew up at Ojhri camp, near Islamabad, on April 10, kill-

ing 104 people.

The reported plan was that Mr
Junejo would hold an emergency Cabinet meeting on May 30 and later announce his crackdown on the army at a news conference, having gained Cabinet approval. President Zia would have been in China,

But be heard of the plan, sacked Mr Junejo, his Cabinet and the National Assembly minutes after the Prime Minister returned from a week-long tour of China, South Korea and the Philippines. He had cancelled his own trip to China.

The pressure is now on President Zia. He has no government, is required constitutionally to Reports in Islamabad also sug-gest that the widening rift needs a budget before the finan-between President Zia and Mr cial year ends at the end of this

President Zia has justified his actions on the grounds that the Cabinet and Parliament had deficits are increasing Pakistan's

AT ST JAMES COURT HOTEL, IT WILL

TAKE THE WEIGHT OFF YOUR FEET WITHOUT

WEIGHING HEAVILY ON YOUR BILL

Rest assured that David Linley's marquetry marvel, reposing

specifically to your needs.

gracefully on our upper landing, won't

business stay in London demands the

finest of settings, we realise that a

businessman's pocket is not fatbomless.

Because while we know that a

So we've tailored everything

From our elegant guest rooms

and lavish apartment suites to

our fully equipped Chambers

Business Centre, complete with fax

machines and fleet-footed secretaries.

Not to mention our prestigious

boardrooms for those important

sit awkwardly on your bottom line.

LATE PRESIDENT'S SON IS REGIME'S MOST SERIOUS CHALLENGE SINCE 1940

## Mexican left unites under Cardenas

BY DAVID GARDNER IN MEXICO CITY

formed a united front to take on out. the regime in presidential elections on July 6: the Mexican eran Socialist who withdrew his Socialist Party has joined forces candidacy in favour of Mr Car-with the swelling left-wing denas late on Friday, described nationalist current led by Mr the new alliance as "the most Cuauhtemoc Cardenas.

Mr Cardenas, the son of late President Lazaro Cardenas, the dominant political figure in Mexico this century who nationalised the oil industry in 1938, split with the long-ruling Institutional Revolutionary Party (PRI)

last year. He now without doubt represents the most serious challenge to the regime since it rigged the 1940 election in favour of his

father's successor.

The centre-left daily La Jor-nada, one of Mexico's few respected newspapers, whose edi-tors are divided between the PRI and Mr Cardenas, went further in e front-page editorial at the week-end, arguing that the new alliance "opens up an unprecedented situation in what must now be described as the most transcen-

Delhi to

begin

Jaffna

By Mervyn de Silva in Colombo

withdrawal

INDIA WILL withdraw some

troops and armour from Sri

Lanka this week.

It will be the first reduction since an Indian peace-keeping force was despatched to Sri

Lanka as part of the deal signed last July by President Junius Jayawardene of Sri

Lanka and Mr Rejiv Gandhi,

India's Prime Minister, in an

attempt to end years of ethnic conflict on the island.

Tomorrow, 2,500 men and

the Indian army's Soviet-built T-72 tanks will leave the Jaffna peninsula in the north of the island. Sri Lankan offi-

cials said the peace-keeping force was also likely to pull back many of the 120mm and

105mm guns brought to sup-

port the infantry brigade in the campaign against Tamil Tiger rebels from their Jaffna stronghold.

The withdrawal, which will

The withdrawal, which will still leave 50,000 Indian troops, follows last week's visit to Colombo of Mr. K C Pant, the Indian Defence Minister. The timing of the announcement may belp President Jayawardene in his own battle in the deep south this work against the average of the street of the same of the s

week against the extremist

People's Liberation Front (JVP), which has assassinated

his party's chairman and gen-

eral accretary and gunned down 17 candidates during the

recent elections to six provin-

Despite JVP killings, death threats and widespread sabo-

tage, 60 per cent of voters turned out in the central prov-

ince and 52 per cent in the

all-important western prov-ince, which includes Colombo.

cial councils.

FOR THE FIRST time in its his-dental election since 1910," when won through the 1910-17 Revolu-tory Mexico's political left has the Mexican Revolution broke tion it has never surrendered the

Mr Heberto Castillo, the vetsevere blow the regime has been dealt for a long time."

Mr Cardenas himself, continuing a barnstorming sequence of almost revivalist mass meetings across Mexico, told a rally in Veracruz that the new unity pact "opens the possibility of the people becoming the Government from December 1 [when the new administration is inaugurated), because now the PRI will not mately reliant on the party's

The chances of the PRI being ousted by elections nevertheless remain virtually nii.

Despite the political erosion Cardenas' threat to base his camthat has come with economic cripalism on the promise of wholesis and the emergence of a sale reform. sophisticated society which has

advantage.
In Japan, the two will target

initially the 15 large public works projects such as the new Kansal

International Airport set aside by

the Tokyo Government for Japa-

The special treatment was

accorded after Washington trade officials had complained bitterly

that Jepan was excluding US con-

struction firms from its public

In the US, the companies will

nland in the EC supermarket

nese-US ventures.

tion. It has never surrendered the it is at last possible to challenge presidency, a state governorship, or even a single senate seat through the ballot box.

Under the de la Madrid admin-istration, which leaves office this year, several fiercely contested municipal and state elections have been secured by ballot-rig-

ted by his hand-picked successor Mr Carlos Salinas de Gortari, through his reiterated calls for clean elections and an end to "old electoral vices." Mr Salinas, the young former Planning Minister, though ulti-

entrenched corporatist struc-tures, bas at the same time injected new vitality into the PRI. This has been enabled in part by the unforeseen strength of Mr Cardenas' threat to base his cam-

Yet this threat has now

The rapid escalation of the yen

against the dollar has prompted e growing trend of Japanese com-

panies setting up US plants.
Some have also expanded local offices to escape the exchange rate penalties on imported goods.
"The association is e natural outgrowth of three successful

joint-ventures in the US," said Mr

The three New York City pro-

Herbert Conant, Turner's chair-

segments of Mexican society that

the hegemony of the PRI, which they believe incapable of reform. The is what has sucked in the fractured independent left behind Mr Cardenas, in what may now for alleged cases of extortion, have a multiplying effect on his according to the main political support. Partial opinion polls have indicated that Mr Cardenas Christian Copei Party. might get between a quarter and a third of the vote.

This would displace the rightwing National Action Party as Mexico's main opposition, even though it is also fighting a vigorous campaign, particularly in the more prosperous but politically disaffected North.

Most impartial analysts believe the PRI remains the leading party, but based on the largest minority of votes.

Its lowest official result was 71 per cent in 1982, and senior party leaders last week told the Finan-cial Times that they still expect around 60 per cent of the votes ontgrown its corporatist struc-ture, the ruling party was put ther side had anticipated, largely together to consolldate power because it has persuaded wide fairness of the election itself. cast in the July poll which, now more than ever, will be about the US and Japanese builders link

# Venezuela's national oil company may face extortion probe

ENEZUELA's national oil com- have launched a series of charges

charges should be investigated. Mr Valmore Acevedo, a Copei senator, had charged that some middle-level executives at contractors working for the oil

PDVSA is the most recent government institution to come under attack for alleged corrup-tion. Over the last few months,

pany, Petroleos de Venezuela SA involving some of the most (PDVSA), should be investigated important state-owned concerns. PDVSA is Venezuela's largest according to the main political company by far and earns most opposition group, the Social of the country's foreign exchange. With exports last year A senior member of the ruling of over \$9hn and a budget of government party, Democratic around \$4hn, the company Action, agreed yesterday that the spends buge sums on contracts covering construction work, services of all types and ecquisitions

The company has en good PDVSA were involved in "possi-ble acts of extortion" related to mance and financial menegerecord in terms of general performent. In contrast to other government entities, it has been the target of very few charges of cor-

of materials and equipment.

in recent months there have been rumours that the Govern-Copei and other opponents of the ment will try to obtain new cred-bemocration Action Government its overseas through PDVSA.

#### Caracas signs joint deal to build \$586m coalmine

BY OUR CARACAS CORRESPONDENT

square feet mixed office/retail have signed an agreement finalis-

New York-based Turner com-pleted \$2.8bn worth of projects ast year and booked orders for

It operates in 32 states and in from the UK, Middle East and Far field. Kuamagai Gumi, based In Tokyo, is one of Japan's hig six general contractors.

It completed projects worth \$5.8bn last year and signed con-tracts to build more to the value

\$3.1hn more.

THE VENEZUELA Government set up two new companies: Car-TURNER and Kumagai Gumi, concentrate on building offices, jects, worth \$215m in total, were and two international coal com-leading construction companies factories and other buildings for a college, a hospital and a 900,000 panies, Agipcoal and Arcocoal, operate the mine, and Guasare ing a joint venture to develop e the overseas marketing arm.
\$556m coalmine in western Vene Carbozulia, a subsidiary of

by the Venezuelan Government, began operations on e small scale eign pertners will bave equal last year, with production of shares in the marketing com-117.000 tonnes.

Production and exports this

Coal international, which will be

Plans call for a mine capable of producing and exporting 6.5m the operating concern, while a tonnes per year of coal by 1996 consortium mede of Agip and from Venezuela's Guasare coalfield.

The remaining 3 per cent will be sald to arrivate invectors.

Carbozulia, a company owned be sold to private investors.

Agipcoal is a subsidiary of year are forecast to be more than solution to be more than solution to be more than solution. Italy's diversified energy group, ENI, and Arcocoal is owned by Atlantic Richfield.

# Kansallis Banking Group:

in the US and Japan respectively, have agreed to pursue joint projects so that they can benefit from each other's home base advantage.

Japanese clients.

Turner believes the clients prejects to do business with a company with strong Japanese connections and experience.

#### Looking for specialist market niches

When the Kansallis Banking Group talks of the reorganisation was about offering the entire spectrum of banking, from retail to merchant, combanking, from retail to merchant, com-mercial and investment, it is not a for his advocacy of barrierconservative form of sensationalism. In free competition. Finland, as in West Germany and "We responded Switzerland, offering a comprehensive new challenges of the service is the only way to do business in the banking world.

Nowadays, following the all-time record high. deregulation, such Finn- As a result, for the ish private banks as Kansallis are able to offer those selfsame facilities overseas - though the retail sector is generally unlikely to play a part. And they are venturing out well-armed: the liquidity of these universal banks is high and they are eager to expand

their business. When the Government of Finland took the fetters off the country's private banka in 1987, it opened up a way for across-the-board banking in the fullest

commercial sense. Gone were the controls exercised by the Bank of Finland on short-term funds, which cut off the wellspring of ready money. Gone, the block on long-term investment launches. Gone, the central investment bank's ceiling on the average domestic interest rates imposed on the private sector. Gone, too, the restrictions on foreign currency borrowing from abroad.

that had not previously existed. Additionally, with the markka's having gained in strength in recent organisation years, coupled with Finnish companies' overseas borrowing, the Bank of Finland's foreign exchange reserves have swelled to an

As a result, for the first time ever the private banking world in Finland finds itself in the position of being less of a rationer of funds than a major seller. Now, all that is needed by the liquidity-rich banks is a good, solid elientele. Especially, overseas, in the corporate and investment banking sectors. No bank understands

this better than Kansallis, Finland's leading com-mercial bank. No longer hamstrung by government regulations, it has established skills and know-how to offer in the corporate and investment banking sectors in particular, a secondgeneration, on-line, realtime data transfer system allowing virtually incorporations' medium and stantaneous transactions internationally, and the desire to play a greater role in the global markets.

To utilise these advantages to the full, and to tailor its functions to Finland's new economic environment and financial demands farther afield, Deregulation created a Kansallis actively re-short-term money market structured itself at the beginning of 1988. The rethink was a radical one, but with the resultant securely on the disciplines and professionalism gained over many years experience.

The principal architect



Head Office Aleksanterinkatu 42 P.O.Box 10 SP-00101 Helsinki

Telephone: +358 0 1631 Telefax: +358 0 1633595 Telex: 124412 kopio sf

KANSALLIS BANKING GROUP Kansallis-Osake-Pankki

Key statiatics, financial year ended 31 December 1987

Total consolideted abarcholders' equity £610 million

public Consolidated

Shareholders

Total consolidated funding from the

£6085 million £151 million operating profit

By Victor Thorne, Helsinki

Dr Jaakko Lassila, Chief General Manager of "We responded to the

market in the first instance by changing our organisation," is how he puts it. "Deregulation had improved our profits, in that we could price our own products ourselves. That meant we had less interest rate risks than before. But we had to be geared up to make full use of the prospects."

While the high street banking side remains an important source of funds, greater emphasis has been placed on corporate, international and investment banking incorporating specialist functions for incorporating underwriting operations and to manage the bank's own equity and bond portfolios.

Of the 64 public issues Finnish companies last year, the investment for a staff of sixty. At the banking side time, it

of Kansallis "We aim managed 34. In 1987, too, there were 23 to keep our triple-A issues of bonds status" with equity warrants in

billion, lead managed by fin-ancing schemes for UK the bank. In the international markets, Kansallis man-

aged its own issue of \$ 100 million bonda with equity warrants and participated in the management of an issue of equity-linked bonds by the Nokia Corporation. As a vital part of its

activities, electronic data processing (EDP) has its department in Helsinki, staffed by some 600 people. It is an area in which Finnish banks are well in advance of most, with a welter of the normal over-the-counter transactions being conducted electronically.

Kansallis has been using a sophisticated EDP system for a decade now. and is just installing second-generation mainframe computers and networking to cope with increasing and more varied demands on its services.



Jaakko Lassila at the telling- point: EDP at work

As Finland's more goindustrial enterprises internationalised, the pressure on banks like Kansallis to offer wholesale banking facilities abroad grew in proportion. But that type of business would not have been sufficient foundation for profitable operations. The client base had to be broadened, and Kansallis found the need to boost its foreign exchange operations, to play the

money market. The bank acquired a 20year lease on Whittington House in the City of London, with enough space

seemed equate en-ough Today, with Kansallis active in the syndicated loans market

the domestic market, eight and taking a lead man-of them, valued at FIM 1.1 agement role in many companies, the staff has grown to 136 and Kansallis has had to take on a second office building, in nearby Bishopsgate.

> story in New York, where business has exceeded the bank's expectations. And while the Singapore enterprise has not recorded quite the same growth, it is a profitable concern - a characteristic shared by Kansallis International Bank S.A. in Luxembourg.

It has been the same

Then there is that pearl among pearls, the Kansallis Banking Group's Zürich operation - the comparatively small but Bank, which last year enjoyed especial success in investment services and securities trading.

But there is a con comitant risk in the expansion of foreign business. Civen that banks in

general are not noted for their cavalier approach to investment, and that Finnish banks in particular are arch conservative, how is that risk

contained? Lassila: "Because of this innate conservatism, banks Kansallis have achieved a triple-A status of which wenre jealous. We aim to keep that status. Our credit losses have traditionally been minimal; last year. they were bigger than usual, but nevertheless amounted to just 0.16% of

our lending portfolio. "We minimise our risk by trying to specialise in certain types of business and client, to find niches in the market where we feel we have more to offer than other banks, rather than building up our overall

"For example, we know the forest products industry very well - not only in Finland but inter-nationally. We feel we know something about telecommunications, too. And, importantly, we've not had the major exposure in Latin American or Third World countries that has given many banks a big headache."

While Kansallis sees the world as its oyster, it regards the European Community countries as offering significant growth potential. Jaakko Lassila sums up:

"I believe it's a must for the Finnish economy that we participate in the new mightily sound Nordfinanz open market approaching in Europe - for the banks, in the service sector. After all, around 35% of our national product is exported, with the bulk of it going to the EC area. At Kansallis, we're prepared for the ensuing competition."

# that on your bill are without price. The best place to stay (next to Buckingham Palace). For further details and information on corporate rates please call Robert Techer Sales/Mkig Manager ST JAMES COURT HOTEL & APARTMENTS, BUCKINGHAM GATE, LONDON SWIE 6AE TEL: 01-834 6655. TLX: 938075 TAJ JAM G. FAX: 01-630 7587.

TAJ INTERNATIONAL HOTELS

meetings.

- French Provencal and Chinese Szechuan - to our private

Victorian fountain in one of the finest Edwardian' botels in

Europe. All this among priceless objets d'art

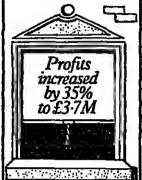
From our intimate cocktail bar and two first class restaurants

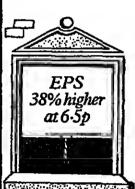
All this graced by a tranquil courtyard, its centrepiece a

# The Hoskyns Interim Results











A CONTRACTOR OF STREET



TLLNEVER KEEPUP with Hoskyns GROWTH GASPED **JENKINS** 

hoskyns logether we can make computers make money

Hoskens Group ple Hiskyns House Litt Shattesbury Arenue Landon WTV 7DN Telephone: 01-434 2171

# The PLO chief may not gain the unequivocal response he seeks from Arab leaders in Algiers, reports Andrew Gowers

# Arafat strives to replace fine words with aid for Palestinians

Liberation Organisation, delivered e stern lecture to Arab ambassadors in Baghdad, one of the PLO's two main homes. The Arab states, he said, were

not doing nearly enough to assist the Palestinian nprising in the Israeli-occupied West Bank and Gaza Strip, for all thair fina

words of support.
Their financial hacking was barely 25 per cent of what was needed. They had failed to adopt a clear political stance towards (uprising). Their media had not given it due attention, and some Arab governments were casting doubt on the leadership of the

This week, as Arab heads of state gather in Algiers for their second "emergency" summit meeting in seven months, Mr Arafat will be working overtime to induce them to put money and political mus-cle where so far there has not been much more than rhetoric. The signs are that when the meeting opens tomorrow, he will not obtain quite the unequivocal

dent Chadii Bendjedid of Algeria, first place. one of the PLO's strongest sup-porters and co-author of its reunione of the PLO's strongest sup-porters and co-author of its reuni-lication in Algiers last year. insult against them and their rep-

is fication in Algiers last year.

It called for an emergency meeting on the subject some months ago. It is now taking place a full six months after the inhabitants of the West Bank and Gaza initiated their stone-throwing revolt against israeli troops, and at a time when the intensity of the uprising appears for the time being to have ebbed somewhat.

Nevertheless, the fact that the Aglers meeting is being held at all — and the large turn-out of leaders it is expected to muster (all except Sultan Qahoos of Oman and, of course, President Mubarak of Egypt) — underlines the extent to which the pendulum of Middle Eastern politics has shifted in the last few months.

At their last summit in

Itself suggests a certain Arab ignored, a perception which ambivalence about recent events helped to spark off the unrest in in the occupied territories. Presithe occupied territories in the

working overtime to induce them to put money and political muscle where so far there has not been much more than rhetoric.

At their last summit in Amman in November, the leaders spent most of their time talking about the Gulf war, and trying to close Arab ranks against what neeting opens tomorrow, he will not obtain quite the unequivocal response he is looking for.

The timing of the summit in Arafat himself were virtually arafat himself were virtually and the ground. But the embarassing truth is that it caught



sion of Egypt to the Arab League, that leaves the stage clear for discussion of the Arab-Israel conflict, and the Palestinians' core demand for a state of their own. The difficulty the meeting faces is finding anything terribly new. coherent or convincing to say

bling - with varying degrees of year. success and enthusiasm - to
come to terms with it ever since.

in the circumstances, the Algerian hosts with have their work

in the circumstances, the Algerian hosts will have their work

with the circumstances and enthusiasm - to
the Arab donor-states long ago
reneged on their full 1978 com
whom were not keen on holding

states.

The PLO is said to be seeking 20m a month to assist the Palestinians in the occupied territories are being the strongest possible Arab consensus behind the uprisprobably have their hands out North African states.

stretched, since a 1978 Arab summit pledge to provide the remainmit pledge to provide the remainmit pledge to provide the remain-

Arah governments and, to an ing "front line states" and the the summit will be how to extent, the FLO leadership itself PLO with \$3.5bn (\$1.9bn) a year respond to Washington's Middle off guard. The parties been scram-in aid expires at the end of this East peace plan which Mr George

rian hosts will have their work cut out preventing the summit from turning into yet another have declined in recent years, that the meeting should not rehearsal of old differences on the Middle East "peace process", ing up its donations. This week, or of mutual recriminations over the uprising.

The problem is that six mitments both to the PLO and to a summit at all — are anxious a summit at all — are anxious that the meeting should not reject the latest US initiative outright. Syria and the PLO, on the other hand, will band together to demand a more forthright denunctions of the problem is that six but in practice the sums involved. or of mutual recriminations over the uprising.

"The problem is that six months after the intifada, Arab governments have done very little to support it," said one seasoned Arab diplomat. "The question this week is, who gets the blame?"

There are likely to be two pressure is the key to crushing the palestinian unrest — appear to be having increasing success.

There are likely to he two to be having increasing success interlinked strands to the debate in keeping Arab donations out. It on the uprising, both of them is hard to see what the leaders problematical First, there will be meeting in Algiers can do to cirtue inevitable demands for cunvent tight Israeli controls on move-

in becoming less dependent on ing, as well as working to further Israel. Jordan and Syria will also the recent reconciliation between

Shultz, the US Secretary of State,

one-sided effort to take the pres-

sure off Israel.

The outcome is almost certain to be the usual brand of Arab summit fudge, though probably with more of a radical flavour than for some time. In this respect, much depends on the state of President Assad's muchstate of Fresident Assac's indica-touted "reconciliation" with Mr Arafat, which began with great fanfares in April but has yet to yield concrete results.

For his part, Mr Arafat already seems to be reconciling himself to modest results from the meeting. He told the ambassadors in Baghdad last month that the uprising would "continue and escalate" regardless of what the summit decided.

# Rabat underlines wish for Algerian links

BY FRANCIS GHILES IN ALGIERS

THE decision of King Hassan of Morocco to travel to Algiers this week, coming less than one month after the re-establishment of diplomatic relations between his country and Algeria, underlines the importance the two major Maghreb countries attach to the rebuilding of links broken

The kingdom severed links Algeria had recognised the Saha-ran Arab Democratic Republic, whose Polisario guerrillas have, been fighting for the indepen-dence of the former Spanish colony of the Western Sahara.

The quality of the two ambassadors appointed to represent

business - Professor Abedellatif Berbiche is a member of the Moroccan monarch's inner circle, and Mr Abdelhamid Mehri, who until late last month was his country's ambassador in Paris, is a highly professional senior diplomat.

The frontier between the two countries was reopened yesterday and visas are no longer necessary. The agreement between the two countries is highly popular with all Moroccans and Algeri-ans, especially in regional areas, and large crowds of Algerians flooded into Morocco for a shopping spree in the border town of Oujda yesterday,

President Chadli Bendjedid mean President Houari Boumediene acceptable to all three parties to expelled tens of thonsands of Moroccans who had lived in Algeria, often for more than a generation, without any compen-

> lies from the west were still the Western Saharans considerallowed to travel to the old Morable autonomy, even to the occan imperial city of Fez to find extent of opening commercial a bride, it is no exaggeration to offices abroad, and would provide say that these towns felt "cultur-strict guarantees for the safety of ally orphaned". Family, business the 150,000 refugees who now live and cultural links going back in camps in sooth-western 1,000 years had been cut at a Sahara, whenever they might stroke.

of an eventual settlement of the UN Secretary-General, Mr Javier The people of Oran and Tiem- Western Saharan conflict could Perez de Cuellar, who has been cen, in western Algeria, were be. But it appears that a statute trying to bring all parties to the deeply offended when the late of internal autonomy might be conflict closer together.

This would be much in line with King Hassan's remarks in ation.

1984 that everything was negotia-hle bar the stamp and the flag.

Although some Algerian fami. Such a settlement would allow

Nothing has been said at least Such a solution, it appears, publicly about what the outline would have the blessing of the

#### Israel braces for the worst

BY ANDREW WHITLEY IN JERUSALEM

ISRAEL is watching the Algiers summit meeting of Arab League heads of state with a mixture of

resignation and foreboding.
Called specifically to address Palestinian uprising in the occu-pied territories, the Government is bracing itself for the worst. The summit can do enormous damage to the peace process," said a senior Foreign Ministry official. "The most optimistic sce-nario is that it won't go beyond repeating the Amman resolutions (of last November's summit), together with some verbal sup-port for the intifada. But, he went on, it could equally produce resolutions which would "make any progress in this region

Israel got off lightly last November, when the Arab sum-mit hosted by King Hussein

But the joy in Jerusalem was short-lived. Within a month, the pot was boiling over in the occupied territories, fuelled by frustration over the apparent downgrading of the Palestinian issue in Arab minds. That lapse is now set to be rectified.

together with the freedom it has given Damascus-based radical Palestinian groups to step up cross-border raids into Israel.

As pessimism over the outcome of the latest shuttle mission by US Secretary of State George Shultz settles in among even its set to be rectified. So far, to Israel's not-so-secret

relief, support from Arab govern-ments for the Palestine Libera-tion Organisation in its direction of the uprising has been largely verbal. Saudi Arabia offered at one stage to provide emergency assistance to beseiged refugee camps in the Gaza Strip; but the offer was predictably dismissed by Israel.

focused almost exclusively on the The only serious respons Iran-Iraq war and on inter-Arab unity, leaving the Jordanian monarch with a free hand to pursule his own diplomacy towards the West Bank.

most ardent former supporters in Israel, officials are clutching at

One expressed the bope on Friday that the presence of Mr Shultz in the region this week would act as a moderating influence on the Algiers summit.
Such hopes find little echo

# Zimbabwe economy 'set to grow by 5%'

BY TONY HAWKINS IN HARARE

than 1 per cent.
In its latest economic review. the Reserve (Central) bank of Zimhabwe (RBZ) attributes this unturn to sharply-higher agricul-"moderate" growth in both min-ing and manufacturing.

investment" is now occurring in mobilised.

ZIMBABWE's economy should grow some 5 per cent this year, according to the country's central bank.

The Reserve Bank accepts the Government's reluctance to increased gold production this peed for what it calls "the necestembark on a trade liberalisation programme are big obstacles to a exchange will continue to hammark or attack to a continue to a continue to a continue to a continue to a continue

export revolving fund, barter and aid agreements and the recentlyaid agreements and the recentlyestablished supplementary allochange of stance in Zimbabwe,
cations for export-oriented indusremains to be seen.

Whether this supplement in Later this week, the IMF team,
which is visiting the country for cou

Whether this support for cles.

tural production allied with moderate" growth in both mining and manufacturing.

The hank says "substantial investment" is now occurring in mobilised.

But it says export growth ting with the World Bank for central bank's call for a reduction on the hodget deficit, as well more than two years for a trade tion in the hodget deficit, as well while accelerated inflows of promotion loan. But the substantance is unging Harare to move swiftly tall budget deficit, estimated at towards liberalising its foreign some 10 per cent of GDP, and the payments system.

Supreme Court.
Clause 24 provides for strike
hallots even for unregistered

unions while the controversial

The support of church

groups is likely to turn a labour law protest

and anti-apartheld

Into a wider

This optimistic forecast comes after two years of stagnation during which real gross domestic in imports attributable mainly to ment while keeping inflation an Australian consultant, to product expanded little more higher allocations from the under control.

Zimbahwe has been negotia- can be expected to underline the

#### Mauritius aims to be finance centre

MAURITIUS has announced a series of measures aimed at help-ing it to turn into an internareports from Port Louis. Presenting his 1987/88

to Parliament, Finance Minister hrought in to promote trading on a stock exchange due to open this financial year.

Mauritius's first offshore banks would open in October. The minister said the Government would repay early \$30m of its \$370m (£240m) foreign debt. From July, commercial banks would be free to settle all import payments without reference to

the central bank. fine central bank.

Investors would be exempted from tax on 35 per cent of all dividend payments, and profits of up to Rs100,000 (24,165) a year from the sale of stocks and shares would also be exempt.

The Government projected expenditure of Rs9.4bn in the covering year up from Rs7 thm in

coming year, up from Rs7.9bn in 1987/88, while revenue would remain stable at about Rs8.7bn.

#### US 'helping Unita move main base to Zaire'

move their main base to Zaire to Unita and supply lines for US prepare for a thrust into Angola's military aid to the rebels. He connorthern economic heartland, a sistently denies it, senior, Angolan, diplomat said. Mr. Klambata said: "The US is yesterday, Renter reports from pressing Unita and South Africa

Lusaka.

Angola's ambassador in
Lusaka, Mr Luis Neto Kiambata,
said US aircraft were ferrying
Unita equipment is being transferred to Zaire."

From their new bases, he said,
Unita equipment for rebel headquartera at Jamba, south-east
Angola, to areas in Zaire on the
border with northern Angola.

If the deployment is confirmed,
it would represent a major political as well as military mores. It

apparent effort to holster its Jamba is on the border with claims to a place in peace negoti-

THE US is helping Unita rebels Angola of providing bases for

H

cal as well as military move. It is and the rebels hoped to set up a new base in Quimbele that would take Jonas Savimhi's prowould directly threaten northern Angola's diamond fields and oil Total Independence of Angola wells, the main source of the (Unita) out of the shadow of its main sponsor, South Africa, in an Dr Savimhi's headquarters at country's wealth.
Dr Savimbi's headquarters at

South African-ruled Namihia tions. about 800 miles aonth-east of Units has fought Angola's Luanda and about the same dis-Marxist Government since just tance south of Uige province, after independence from Portugal He added that US actions could

in 1975. Cuba has sent tens of threaten peace talks which South thousands of troops into the Africa, Cuba, Angola and the US country to back the Government began last month in an effort to began last month in an effort to secure independence for Namibia in its fight against the rebels.

Zaire's President Mobutu Sese
Seko has long been accused by war.

Seko has long been accused by war.

#### The economy is becoming a punchbag, Anthony Robinson writes S African unions set for clash of wills

SOUTH AFRICA's black trade unions appear set for a major clash of wills with employers this week, turning the economy into a government's proposed amend-status of a division of the structures.

strikes over the same issue in a now that the movement has 15-month period and creates a thrown up some impressive leadness new labour appeal court with the ers and built up organisational status of a division of the structures. week, turning the economy into a punchbag for accumulated politi-

cal frustrations.
Millions of black workers are expected to heed the call for three days of "national peaceful protest" in fectories, mines and shops, defying management warnings of possible dismissals. The support of the major churches and hlack anti-apartheid organisations is expected to turn what started as a protest against new labour laws and the banning of 17 antl-apartheid organisations into a wider anti-

government demonstration. It takes place a week before the emotive anniversary of the June 16, 1976 Soweto uprising and only days before Pretoria is expected to extend the state of emergency into its third year. The decision to call for "three days of national peaceful protest"

was made at last month's special conference of the Congress of South African Trade Unions (Cos-atu), the country's largest and most militant union federation with nearly 1m members. The wording carefully avoided any mention of strikes or "stayaany mention of strikes of "staya-ways" because political strikes, and a wide range of other politi-cal actions such as support for rent or consumer boycotts and calls for the release of Nelson Mandela and other jailed leaders, were banned on February 24.

The first target of the "peaceful protest" is this crackdown on union political activity, part of the wider suppression of 17 oppo-sition groups, including the United Democratic Front (UDF)

The

comes much closer to home - the government's proposed amend-ments to the Labour Relations Act (LRA) now before parlia-

Last week, management labour specialists and members of the South African Co-ordinating Committee on Labour Affairs (Saccola) unsuccessfully tried to Clause 26 removes indemnity in the case of illegal strikes or lock-outs. It is this clause which fuels union fears that they could be bankrupted.

But the wider objections to the bill lie in its symbolic role as the linchpin of a much tougher manpursuade Cosatu and Nactu, the black consciousness union group, that the proposed amendments did not amount to an assault on established union rights but were in line with labour legislation in other Western countries.

The unions were not impressed Mr Jay Naidoo, Cosimpressed. Mr Jay Naidoo, Cosatu's general secretary, insisted that the labour movement had not been fully consulted on the new hill which the unions "believe very severely curtails union rights...and entitles employers to sue and bankrupt unions."

unions."

In a full page advertisement in major papers last week, Saccola maintained that the union allegations "are not supported by analysis of the bill". The most conlegalisation in terms of the Welfroversial amendments are those aimed at curbing unofficial wilds and at curbing unofficial wilds subsequent growth, has given cat strikes, the overwhelming politically powerless black workmajority of last year's 1,148 ers their sole legal instrument for strikes, in which over 9m man.

Racai Recorders RACAL

Hardley Industrial Estate, Hythe, Southampton, SO4 6ZH. Telephone: (0703) 843265.

anti-government

demonstration

strikes, in which over 9m man negotiating with the white power days were lost, an 800 per cent structure.

Increase on 1986.

The teeth of the new hill are trade unions as the most imporcontained in the clauses which tant single reform of the apartmake secondary or sympthy beld system to date. But the rela-strikes "unfair labour practices" tive tolerance with which alongside consumer boycotts of management accepted the fledg-the products of strikebound com-ling unions and their first muscle-stretching has given way to a

The hill also bans repeat much harder nosed approach

The first major crunch came with last year's strike by 300,000 members of the National Union of Mineworkers (NUM) led by Mr Cyril Ramaphosa. Anglo-American Corporation. can Corporation, the hardest-hit mining house, finally ended the three-week strike by dismissing 40,000 miners and threatening to close marginal shafts and deep mines badly damaged by rock pressure during the strike.

Since then, Anglo and other managements have been trying to educate unions about the capitalist realities, including in Anglo's case distributing shares

It is an uphill struggle because the stalemate over black political rights and tightened repression under the emergency laws has last the unions, and the churches, in the frontline of the anti-spartheid struggle.

The class war instincts of many poorly educated hut ambitious union officials, reinforced hy such actions as the blowing up of Cosatu House and alleged police harassment, are now being matched by the skills of a new breed of trained labour relations managers with an eye on the profit and loss account.

In essence, this week's trial of strength will provide an indicator not only of trade union militancy but also of the deeper tensions which hubble beneath the super-ficial calm of the state of emer-

Care of The The Financial Times proposes to publish this survey on: 22 July 1988 For a full editorial synopsis and advertisement details, please con-

> S.P. Dunbar-Johnson on 01-248 8000 ext 4148 or write to him at: Bracken House 10 Cannon Street London

#### SPANISH BANKING FINANCE & INVESTMENT

FINANCIALTIMES

The Financial Times proposes to publish a Survey on the above on

23rd June

For a full editorial synopsis and advertisement details, please contact:

Luis Andrade, Ponzano 72-2C, 28003 Madrid, Spain on Madrid (01) 456 2778

> or write to Mr Robert Leach **FINANCIAL TIMES**

Bracken House, 10 Cannon Street Lendon EC4P 4BY.

Guardian

to launch

European

THE GUARDIAN newspaper is

planning to launch a daily European edition next Monday

for distribution in France,

Initially, the proposed paper would be a "beach edition" aimed at sonthern European

resorts. It would be tha first

seasonal daily paper to be pro-duced by a UK national news-

paper group.
Mr Jim Markwick, The
Guardian's managing director,
confirmed yesterday that the

newspaper was experimenting with print runs in Europe this

week. "The Gnardian is looking at the European situa-tion and experimenting on

looking at a European edi-tion," said Mr Markwick. "A European edition of The Guardian could be seasonal, or

not. The current experiments are all part of the process of

seeking answers."

The Guardian already prints
a weekly edition of the main

IK newspaper in Canada.

A special 24-page edition of the newspaper will be faxed from its offices in London and

printed at Vitrolles near Mar-

The edition will be printed

by Ricobono, which also prints

French newspapers. It will

have an initial print run of

10,000 copies, of which about 2,500 will be distributed in

France by NMPP, the co-opera-tive of French newspaper dis-

The Guardian is also under-

stood to be discussing the pos-

sibility of printing in northern

The Financial Times was the

first UK national newspaper to publish an international edi-

tion, printing initially in Frankfurt, then also in New York, with France added this

The management of The

Guardian is meeting to discuss results of the experiments later this week and to take a

Mr Peter Preston, chairman

and editor of The Guardian

said yesterday in response to a

snggestion that the paper

final decision on the project.

France, near Lille.

seilles in southern France.

edition

By Lynton McLain and Alain Cass

Italy and Spain.

#### Industrial relations professor commends single-union pacts

BY OUR LABOUR STAFF

un q làth

A ers

Antipo de la companya de la companya

The course of th

The Property

to ruch a

artitlet in th

in Hiller

Freshman Inches 1860

note step a

over the ex-

hard- press

L' PINE

OF the Wilde

A A CARE

 $t = t \cdot n \cdot n^{2} \cdot \widetilde{g}_{1}$ 

to T that see

and the company of

A TOTAL STREET a and the

nove

da e Nes 🗈 on tali

. . ប្រាស់

(2) 水道塩

11.191 10 M (20)

للتداء والراور

477.6 in it same. The first same

.... 1.15 4 1 4 - - 24

1.0

THE trade union movement is likely to be weakened unless a majority of members can be persuaded of the need for single-union agreements instead of traditional "adversarial patterns,"

"positive change" that was tion in administration may pave unlikely to be completely the way for similar radical reversed, although in the public changes in industrial relations. Meanwhile, in another paper unual distrust, and bitterness" on industrial relations, Professor and the public changes in industrial relations. Meanwhile, in another paper unual distrust, and bitterness" on industrial relations, Professor and the public changes in industrial relations. Meanwhile, in administration may pave unlikely to be completely the way for similar radical reversed, although in the public changes in industrial relations. Meanwhile, in another paper unlikely to be completely to be completely to be way for similar radical reversed, although in the public changes in industrial relations. Meanwhile, in another paper unlikely to be completely to be way for similar radical reversed, although in the public changes in industrial relations. Meanwhile, in another paper unlikely to be completely to be way for similar radical reversed, although in the public changes in industrial relations. Meanwhile, in another paper unlikely to be completely to be way for similar radical reversed, although in the public changes in industrial relations. Meanwhile, in another paper unlikely to be completely to be completely to be completely to be way for similar radical reversed, although in the public changes in industrial relations. an international report states

agement relations, Professor Ben union. Roberts of the Department of He sa Roberts of the Department of Industrial Relations at the London School of Economics warms that British unions face an ever"Japanese-style" workplace in ave been most successful in new or "green field" sites where such far beyond a pragmatic response or "green field" sites where such concepts are "huilt into the design of the organisation and labour-management system from growing threat that employers-under pressure from technologi-He says th cal, market, and social changes ing a philosophy of trade union many changes in work rules have might by pass union officials and ism based on providing a service also heen introduced "through might by-pass union officials and deal directly with employees.

house in order, employers, whose support is vital to union survival, agent in a cystem of conflict will increasingly chow less between unions and employers respect for their interests," Professor Roberts says.

The study suggests that in the

He says the union is "advanceal directly with employees.

to its members in terms of their hard negotiations individual needs rather than on involving a strike.

fessor Roberts says.

The study suggests that in the can Research Association, 35-37
The study argues that industrial relations are undergoing a privatisation and decentralisa.

ditional "adversarial patterns," seemed to be more evident. Thomas Kochan of the Massachuscher, international report states soday. Thomas Kochan of the Massachuscher, and international report states before the more evident. Thomas Kochan of the Massachuscher, and international report states are reported to be more evident. Thomas Kochan of the Massachuscher, and international report states are reported to be more evident. Thomas Kochan of the Massachuscher, and international report states are reported to be more evident. Thomas Kochan of the Massachuscher, and international report states are reported to be more evident. Thomas Kochan of the Massachuscher, and international report states are reported to be more evident. Thomas Kochan of the Massachuscher, and international report states are reported to be more evident. Thomas Kochan of the Massachuscher, and international report states are reported to be more evident. Thomas Kochan of the Massachuscher, and international report states are reported to be more evident. Thomas Kochan of the Massachuscher, and international report states are reported to be more evident. Thomas Kochan of the Massachuscher, and international report states are reported to be more evident. Thomas Kochan of the Massachuscher, and international report states are reported to be more evident. Thomas Kochan of the Massachuscher, and international report states are reported to be more evident. Thomas Kochan of the Massachuscher, and the Massachuscher, have been most successful in new the start."

By contrast in existing plants hard negotiations, sometimes

Departures in Industrial Relations: Developments in the US, UK, and Canada. Occasional Paper No 5, British-Narth Ameri-

#### UK unions collect less from members

smaller proportion of their earnings to their trade unions than their counterparts in West Gerpaying a fixed proportion of their paying a fixed proportion of their paying a fixed union contriing to survey published today by butions, the Labour Research Department, a UK-based trade union research organisation.

The survey suggests that in "broad terms" UK union contributions are about half the level of those in West Germany and "somewhere around" two-thirds of the level in France and Italy.

parity is largely accounted for by the major differences that exist in trade union structure and tradition which have a direct bearing on union finances within the National Union of Mineworkers four countries.

In the UK, tha majority of mions have a single fixed contri-trade unionists get more value bution for full-time adult work-for money, the LRD report comers, with a lower rate for part pares only the UK and West Gertimers and younger workers.

The only British union with more than 100,000 members to link contributions to earnings is Nalgo, the white collar union, which has I6 contribution bands'

Ten of the 14 West German unions collect 1 per cent or more of their members' earnings as contributions. In Italy and France, the main trade union confederations collect between 0.5 per cent and just over 1 per

However in the majority of UK According to the LRD, the dis- unions with more than 100,000 contributions are equivalent to between 0.4 per cent and 0.6 per cent of earnings. The exceptions are the NGA print union and the

> with 0.9 per cent. In trying to establish which many, the two countries with broadly similar union structures.
>
> The survey concludes that "West Communication Workers (UCW),

which has 16 contribution 'bands' that vary according to salary
By contrast in West Germany,
France, and Italy, union contributions are almost invariably linked to pay, and frequently on a percentage basis.

In West Germany, eight of the second largest on similar training courses anno-ally.

Services Transport and Traffic of Union, collected an income from members pay? Labour Research in Mest Germany, eight of the second largest on similar training courses anno-ally.

Europe's unions - what do union, the Public of Union, collected an income from members pay? Labour Research in Mest Germany, eight of the second largest on similar training courses anno-ally.

Europe's unions - what do union, the Public of Union, collected an income from members pay? Labour Research in Mest Germany, eight of the second largest on similar training courses anno-ally.

Q. WHY IS A BOMBAY

WORTH \$10,000?

trestant further a manager to a second

**BUS TICKET** 

A. HAWALA

Among the world's banking networks is one so secret it has no address, no

records, no controls. But your corner

shop may be part of it. This month, BUSINESS investigates how Hawala, India's money laundry, is now being hijacked by international crime.

Also, why a former Co-op shelf-filler is souping up US supermarkets, how Bass is fermenting a leisure empire, timely advice on pension plans, the

discreet charm of the Costa del Sol and the problems facing ageing studs.

BUSHNESS Magazino. On sale nou, price £2.00 (in hard currency).

BRITISH trade unionists pay a 14 mions with more than 100,000 union the TGWU transport, despite the fact that the TGWU has 200,000 more members. The greater financial strength

of the West German unions is reflected in much higher levels of expenditure in services such as

For example West Germany's biggest union IGM, with 2.6m members, distributes 2.3m copies of 'Metall', its fortnightly newspaper, in addition to 180,000 copies of a monthly magazine for activists. The TGWU, with 1.3m members, distributes 350,000 copies of The Record, its monthly paper, although it also has three specialist journals with a combined circulation of 140,000.

West Germany's railway workers' union has two education cen-tres for its 340,000 members, while the country's postal workers union has 20,000 of its 463,000 members go on three day trade

German unions certainly collect which "runs a substantial educamore than their UK opposite tion programme in UK terms" puts 2,200 of its 192,000 members

BUSINESS

would be printing in Europe that the position was "more laid back than that." The circulation of The Guardian has dropped since its re-design earlier this year. Over the past 18 months it has fallen from over 500,000 to less than 450,000 parily as a result of the challenge posed by the Independent . . . the attempt to produce a European edition could be one way of increasing

The project has been hatched in conditions of absolute secrecy over the past six months, although the idea of a European edition of The Guardian was first mooted in 1980. However, NMPP were told of the plans only two weeks ago, according to a French executive of the dis-tributors. The Guardian had wanted to start printing today.

There is some scepticism among Freuch newspaper dis-tributors about the circulation targets The Guardian appears to have set itself in Europe. "It will certainly be tough to sell," said one executive in Paris.

#### Have your F.T. hand delivered in Norway

If you work in the business centres of BERGEN, OSLO or STAVANGER - gain the edge over your

personally delivered to your office at no extra charge and alert to all the issues that influence or affect your

> 12 ISSUES FREE

When you take out your first subscription to the F.T., we'll send you 12 issues free. Then see for yourself why William Ungeheuer, Time magazine's senior financial coverage of international

Osio (02) 684020

ຄົກance"

And ask Heidi Åastorp at Narvesen Info Centre-NIC for details.

FINANCIALTIMES

# CBI calls for new equal pay laws

BY PHILIP BASSETT, LABOUR EDITOR

amend current equal pay legisla- to industry.
tion following a recent House of In its latest Employment

action on the issue of equal pay for equal value is the most cans-tic employer response so far to last month's Law Lords' judgment upholding a claim by Miss Julie Hayward, a shipyard cook, for higher pay to give her parity with male employees doing differ-

Describing the Lords' decision s "fundamentally flawed", the CBI says it is not surprising that

The CBI's call for Government duced against the Government's wishes after a European Court be changed."
decision, should now be Mr Rod T

The CBI says: "It is now up to the Government to amend the Equal Pay Act to restore common sense to the concept of equal

Arguing that the effect of the Hayward case threatens bonts of pay leapfrogging, the employers' body says there is nothing in at early stages of the case, lower- European law which supports level courts said supporting the employees bringing leapfrogging the Lords as a substantive issue,

It says that "as it stands, the Lords judgment supporting the Affairs Report, the CBI says that "as it stands, the principle of equal pay for work of equal value, the Confederation of British Industry says today.

It says that "as it stands, the effects of UK law are to defy common sense, to increase employment costs far heyond the sider whether the terms of the fore to put jobs at risk. The law is fundamentally flawed and must Mr Rod Thomas, the CBI's

director of employment affairs, judgment.
says today that in the wake of Mr John the Hayward case, the law now operates arbitrarily by allowing unintended pay rises only to those employees lucky enough to have a different benefits package from a group of employees of the opposite sex engaged on work of

Even though it was not before

THE GOVERNMENT mnet claim would do "grave damage" claims on the grounds of equal the CBI says that the effect of the amend current equal pay-legislation industry. tain the available defence to employers under the law against an equal value claim that a pay variation is due to a material fac-

tor other than sex. In response to the CBI's call the Department of Employment said it was examining the legal implications of the Hayward

Mr John Edmonds, general sec-retary of the GMB union, which helped Miss Hayward hring her case, said the Lords' judgment would come to be regarded as "one of the great milestones of womeo's emancipation". He said of the CBI's call that it was hard to understand it, "except as an escape from employers' obligations to women's equal pay.

#### Specialised satellite service licences attract wide interest

BY HUGO DIXON AND TERRY DODSWORTH

ABOUT 20 bodies including the Stock Exchange and businesses run hy Mr Robert Maxwell and Mr Rupert Murdoch, are expected to apply this week for six new licences to operate specialised satellite services in the UK.

The licences, to be awarded this summer, are being granted as part of the Government's policy of liberalising the telecommn-nications market.

They will allow operating com-panies to provide facilities for sending one-way traffic to specialist andiences - currently a British Telecom and Mercury duopoly.

Interest in the new satellite system appears to have been much beavier than the Depart-ment of Trade and Industry expected when it decided on further liberalisation.

At that time the Government imposed tight limits on the licences in accordance with its commitment to maintain the BT-Mercury telecommunications duopoly until 1990. As a result, the new operating companies will be able to transmit only within the UK and on a one-way basis, beaming messages to a satellite from a central point and back to small satellite dishes.

In spite of these limitations, potential operators foresee oppor-tunites for distributing voice. data and visual signals to specialist andiences where there is no need for a reply. The applicants

mitters, has more ideas up its ting shops. sleeve. The present service col-. Other organisations involved lects television signals from race in discussions with the DTI and courses and sends them to bettee Office of Telecommunication.

financial data using satellites in addition to their present cable-based systems, because satellites can transmit more data more

• Thorn EMI and Maxwell Satellite Communications are more interested in using the licences to provide retailers with one-way video conferencing facilities, elping shop managers keep in touch with new product

launches. • EDS, the US data communications specialist owned by General Motors, has plans for a number of applications modelled on experi-ence in the US, where GM, for example, uses satellites to keep in touch with its dealer organisa-

 British Satellite Broadcasting. which plans to launch its first much as BT and still make a satellite to broadcast new televi-sion channels, is interested in

include:

The Stock Exchange and Reuindustry, include foreign operatters, which want to transmit ing groups and equipment suppli-

ers. KDD, the Japanese international service provider, for example, is anxious to keep in touch with the deregulation process in

On the equipment supply side, Ferranti is interested in the sale of transmission equipment, while Pan American Satellite, an American group, can offer capacity on the satellite it is due to launch this week.

The operating companies believe it will be possible to establish a system for a capital outlay of between £2m and £3m on the transmission stations, which will be clustered at three

sites around the country.
They claim they will eastly undercut BT rates, one executive saying they could charge half as handsome profit.

sion channels, is interested in leasing circuits to third parties.

The BBC is considering on one transmission station, is applying for a satellite licence to likely to be more costly. SIS, for complement its terrestrial speinstance, has spent about £85m in cialist hroadcasting serits hetting shop system, although vices – Datacast amd Downloadexperience in the US, the only market where such services are
SIS, a UK company already widely operated, has shown they running a one-way satellite system using British Telecom transearm solid profits.

#### 'Upward pressure' on wage demands

By Our Labour Editor

PRESSURES forcing wage settle-ments upwards are intensifying while downward pay pressure is declining, according to figures published today by the Con-federation of British Industry.

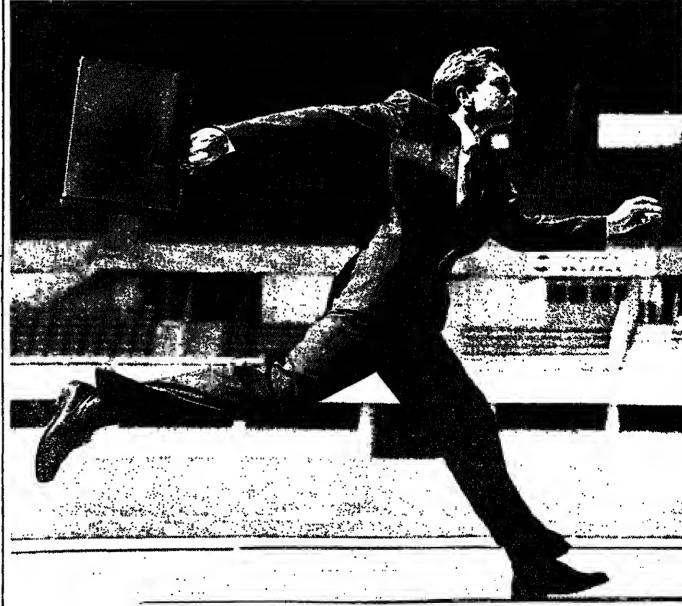
Provisional figures from the CBI's pay databank, published in its bi-montbly Employment Affairs Report, show settlements in industry averaging 6 per cent in the first quarter of this year, compared with 5.5 per cent in the final quarter of 1987.

Settlements are also increasing averaging an estimated 6.9 per cent so far this year compared with 6.7 per cent for the second

All the upward pressures on pay charted by the CBI are increasing, apart from the cost of living. In 1987-88, 23 per cent of respondents to the CBI's survey said it was an important upweard

pressure. Factors cited by the CBI as increasing neward pay pressure were as follows: company profit levels were mentioned by 23 per cent of respondeots in 1987-88, compared with 20 per cent in 1986-87. Labour productivity was mentioned by 19 per cent in 1987-88, compared with 15 per

# One step ahead thanks to quick decisions.



Speed is a definite competitive advantage in trade. Moreover, the complexity of international transactions necessitates tailor-made solutions for your problems which correspond exactly to your needs. GZB-Vienna is at your disposal with its range of trade financing services, including \* guarantees \* non-recourse export financing \* export leasing \* classic expart-import financing \* barter and countertrade transactions and \* project financing.

GZB-VIENNA



A-1010 Vienno, Herrengosse 1-3 Tel. 66 62:0" (7 17 07:0") k-lex: 136 989, Swiftcode: ZENT AT WW Representance offices in New York, Landar Hong hang, Singapore, Milan and Zurich.

Your investment partner in Austria.



Lloyds calls

for easing

on mergers

MERGERS and takeovers should be referred to the Monopolies and Mergers Com-

mission only if they result in a company capturing more than 50 per cent of the UK market,

Lloyds Bank says in its June economic bulletin.

Joining the calls for integra-tion of competition laws in

Europe, Mr Christopher John-son, the hank's chief economic

adviser, argues that the cur-rent "trigger point" of 30 per cent is clearly inconsistent

with that of the European

Community.
Under EC laws, a monopolies investigation can be made if a

company ends up with more than 25 per cent of the com-bined EC market. But since the

UK accounts for about 12 per cent of the EC market, Mr

Johnson's view is that the UK

level for merger investigations can rise to 50 per cent while the EC level is lowered to 10

However, he warns that

Enropean competition laws should guard against take-

overs based on the argument that a larger market justified a

"It is the extra size of the

arger company size.

of rule

By Patrick Daniel

# Government set to sell off Scottish research centre

BY DAVID FISHLOCK, SCIENCE EDITOR

land's biggest research centres privatising the British Technol-are expected to be announced by ogy Group, its technology transthe Department of Trade and Industry this week.

Laboratory (NEL) at East Kil. (BHRA), a privately-owned labo-bride, near Glasgow, a DTI ratory at Cranfield, Bedfordshire, research establishment with specialising in fluid engineering, more than 600 staff and an it is planning a joint bid with

vided the Government will agree to a "Rover solution" to help pay for restructuring.

BHRA is a former government-sponsored industrial research association, which made a small for restructuring.

period, perhaps five years. ear The DTI, with a research and year development hudget of more than With DTI encouragement, 5500m this year, is understood to BHRA has done an initial study want to privatise more of its six of the Scottish laboratory, and technology. It may also try to national laboratories, including assisted by Coopers & Lybrand, acquire some of the maritime warren Spring, a process technolists accountant, which has also engineering facilities of the

Liverpool Research Group.

fer agency. The approach for NEL has

The Government is to invite come from the British Hydrome-bids for the National Engineering chanics Research Association Laboratory (NEL) at East Kil. (BHRA), a privately-owned labo-The move has been prompted by a private-sector approach to take over the lahoratory, provided the Government will agree to a "Paramong a joint bid with research company PERA, at Melton Mowbray, which specialises to manufacturing technology.

BHRA is a former constant of the company PERA.

for restructuring.

In the case of Rover, the DTI agreed to a once-for-all payment of £500m to British Aerospace to assist restructuring, although this figure has still to be approved in Brussels.

In the case of Rover, the DTI agreed to a once-for-all payment of £50m to a British Aerospace to assist restructuring, although this figure has still to be approved in Brussels.

In the case of NEL, the basis may be a diminishing level of government support for a fixed period, perhaps five years.

With DTI encouragement, its accountant, which has also been advising on the manage-

ogy laboratory in Rertfordshire. been advising on the manage—
It has also commissioned from ment buy-out.

Coopers & Lybrand, the accountants and management consulcal centre with a range of engineers of engineers of engineers of engineers.

growing at 6 per cent, compared est rates

The deregulation of the financial system has made figures on of 1 per cent to S per cent.

The deregulation of the financial system has made figures on of 1 per cent to S per cent.

Prof Minford warns that ther tightening, then so be it; this

credit growth irrelevant and in Prof Minford warns that ther tightening, then so be it, this any event they do not signal any Britain does not need a repetition is not the time to run inflation overheating of the economy, Prof of the early 1980s, when a strong risks," he says.

PLANS TO privatise one of Scot- tants, a study of the potential for neering expertise but not domi NEL has a poor record for transferring its technology to industry, and an ageing staff.

The study found several areas that overlapped and competed with BHRA's research, including fluid power, flow measurement and turbo-machinery, blotechnol-ogy and offshore engineering. It also found areas complemen-

tary to its research but where it had no current activity, includ-ing control engineering, heat transfer, materials and robotics. Mr Ian Preston, deputy chair-man of the South of Scotland Electricity Board and chairman of BHRA's governing council, said he believed Scotland would welcome the bid for NEL as a way of preserving a research cen-tre the Government might other-

Sir Ronald Mason, BHRA's dep-uty chairman and former chief scientific adviser to the Ministry of Defence, said the aim was to build a major private-sector cen-tre of fluid engineering research engineering facilities of the Admiralty Research Establish-

market which gives the possi-bility of efficiency gains, rather than ever-increasing Professor calls for rise in interest rates firm size. . . What is not required is only three or four THE GOVERNMENT should not Minford says in Liverpool's quar- exchange rate forced the closure competitors in the whole EC take risks with inflation and terly bulletin.

or contraction of many busishould therefore raise interest

However M0, the narrow meanesses, but if inflation is to be since the market is big enough to support about a dozen or so rstes to control the rste of expansion of the monetary base, says the Treasury still targets. is look is encouraging, then Britain Professor Patrick Minford of the growing too fast, he says, it is needs a further increase in intermajor firms in most sectors,"

Mr Johnson adds that he elieves full UK membership of the European Monetary Sys-tem is a necessary condition for European financial integraSimon Holberton finds exporters divided about the strong pound

# Chewing over sterling fluctuations

manufacturer of toys and acces sories for pets - lookalike Mar-garet Thatcher and Ronald Reagan rubber chews for dogs - had been put out of business because of the pound's strength against

The report of the demise of Happy Pet Products, of Southwell, Nottinghamshire, came on Friday, the day the pound closed at its lowest level against the dol-lar and the D-Mark since March. iar and the D-Mark since March. It underlines the problems some of Britain's small husinesses are having and lends support to the claims made a week ago by the Confederation of Brit-ish Industry that the exchange rate is hurting small business. Whether this pain is a symp-tom of a terminal illness is, how-

ever, far from certain. Generalis ations about small business in Britain in the late 1980s are difficult. For as many who say exchange rates matter, there is an equal number who say they

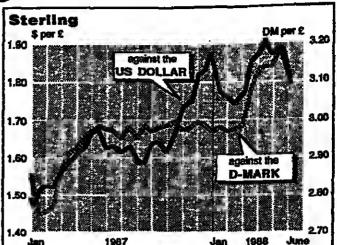
However, one thing is certain: the exchange rate, and therefore the cost to business of competing abroad, has risen significantly.

Even after last week's dramatic
slide in sterling, by the close of
bosiness on Friday the pound
was nearly 10 per cent higher
against the dollar than its aver-

age in 1987 and 5.5 per cent higher against the D-Mark. The CBI says it will publish soon the results of a survey of small business showing that current exchange rates are the main

problem small companies face when trying to export. This would appear to conflict with the findings of a report on small business and exporting prepared for the British Overs Trade Board in April last year by Graham Bannock and Partners, a ondon-based consultancy

In the published, and abbrevi-ated, version of the report exchange rates barely get a men-tion, in a profile of attitudes,



breaking small exporters down into the successful and less successful, exchange rates coma half-way down the list of "less

important issues."
The successful exporter is said to accept that exchange rates are determined by the market. The company quotes in foreign cur-rency whera tha enstomer requires it and utilises currency

hedging if necessary.

The less successful exporter is described as one who has inflexible attitudes, tries to price product at UK levels plus freight and worries about exchange rates.

In the longer, but unpublished version, Mr Bannock says: "Wa would argue that the influence of version, Mr Bannock says: "Wa struck on a yearly hasis. His as Mr Terence Libby, managing would argue that the influence of kites, on the other hand, are sold exchange rates upon exporters through high street stores in the has been overstated in the past. US and sales success is wholly the Kurt American manufacturity. and the importance of quality,

design and service neglected."

An informal FT survey of small nate position of selling into markets then you are out of it."

kets which are relatively price insensitive, or their margins are owner of Acme Marks of Stokehealthy enough to bear some trimming to maintain their position in their chosen market.

cent above the market then you "We have to live with fluctuations," he says. "I do not like too much government intervention in anything and that goes for foreign exchange markets. I am prepared to live with fluctuations as kiln furniture — the stands on

Small manufacturers face prob-

fairly impervious to exchange pared to absorb exchange rate rates. It is also sold through cata-logues and prices tend to be dependent on price.
"At \$2.95 a kite we can have a

which ceramics sit in a kiln—and turns over about £4m a year.

Acme Marls exports about half of its production, mainly to the US and Europe but also to the Far East. In these markets, Mr Lovatt says, the company does well because it makes higher quality products than many of its US and Continental competitors.

"We have found that demand for our products is strong. The first question we are asked is how quick can you deliver and then how much does it cost," he says. "In our market our customers are interest in quality, design, ahility to supply, and price in

ers are interest in quality, design, ability to supply, and price in that order. We have in fact increased our prices recently."

A similar tale is told by Mr Harry Norris, managing director of Optical Activity, of Huntingdon, Cambridgeshire. He makes instruments to measure the

instruments to measure the organic content of solutions and lems if they are supplying price-exports account for around 60 per sensitive mass markets. There a cent of the £1m turnover.

sensitive mass markets. There a movement in the pound/dollar rate, such as has occurred over the past year, is enough to price them out of the market.

Mr John Cochrane is chairman of Cochranes of Oxford which exports to both types of markets.

His company has a turnover of about £500,000 and exports educational scientific equipment and kites to the US and Europe.

The educational equipment is fairly impervious to exchange rate

movements himself.
For other manufacturers, such ers in Latin America and the Far design and service neglected."

"At \$2.95 a kite we can have a East, the "correct" value of the An informal FT survey of small tremendous market but at \$3.20 it pound is all important. According manufacturers in England would falls off to nothing," he says. "If to him that value is about \$1.65

# THE POWER TO COMMUNICATE -using Amstrad and Telecom Gold.

When you buy Amstrad's new MC 2400 modem card at just £199+VAT\* you break through vet another price barrier - and open up a world of business communications with Telecom Gold electronic mail.

Using Amstrad's MC 2400 gives you instant access to Telecom Gold - the system which combines all the speed of a telephone call with the accuracy of the written word. You can use electronic

mail on your Amstrad MC 2400 to control a sales force, link up branch offices, to keep in touch with key executives, and much more. There is rapid access to Telex and a world of business information on-line through financial, commercial and marketing databases.

Choosing Amstrad's MC 2400 makes best sense to get onto Telecom Gold-and not just because of its price. It's a quad standard (V21, V22, V22bis, V23) auto dial, auto answer card modem that is ideal for access to electronic services and gives accurate high speed transfer of data.

You'll find that business works better, together with Amstrad and Telecom Gold.

#### MC 2400 SPECIFICATION

COMPLETE WITH MIRROR II SOFTWARE Apart from the Amstrad MC 2400 card modern, all you need to get on-line to Telecom Gold is your existing PC and a telephone line. A Telecom Gold application form is included with each modem. AMSTRAD'S MC 2400 OFFERS THE FOLLOWING:-

 QUAD STANDARD (V21, V22, V22bis, V23) CALL PROGRESS MONITORING • AUTO DIAL • AUTO ANSWER . AUTOMATIC BAUD RATE SENSING . HAYES COMPATIBLE • PULSE OR TONE DIALLING • EXTENSIVE HELP FACILITIES . B.A.B.T. APPROVED . STANDARD B.T. PLUG CONNECTION SUITABLE FOR USE WITH ANY IBM COMPATIBLE PC .

Please complete and send to: Telecom Gold Direct Response Unit, Unit 10, Oxgate Centre, Oxgate Lane, London NW2 3YP. Tel: 0800 200 700

I would like to sign on for Telecom Gold Electronic Mall, please send me an application form. I would like more details about Telecom Gold Electronic Mail - what it is and what it does. I would like more details about Americad's MC 2400)

"RECOMMENDED RETAIL PRICE, INCLUDING VAT, £228.85. PRICE CORRECT AT 1/3/88 BUT MAY CHANGE WITHOUT NOTICE. The name and logo AMSTRAD are Registered Trade marks of Amstrad Pic. © 1988 Amstrad Pic and Telecom Gold. All rights reserved. All software is sold subject to standard license forms. Products subject to availability. Mirror O is a Trademark of Softklone Distributing Corporation. Hayes is a Trade mark of Hayes Microcomputer Products Inc.

18M is the trademark of International Business Machines Corporation.

Company \_

Tick appropriate box.

# Spanish air traffic controllers' action delays holiday flights

daynakers were delayed for up a record 14.5m holidays, up 15.6 waiting.

to 18 hours at UK and foreign per cent on last year and potenairports over the weekend as a result of further action by Spanish air traffic controllers who to resolve flight bottlenecks. The Glasgow was grounded for 18 limited flights through their air

UK controls are similar to those hours.

and is expected to worsen as the

ummer peak. The Spanish controllers com-However, UK airlines are plained about handling up to 19 The

ules.

The Spanish controllers have been regularly introducing flow departures from Majorca.

Caused abcraft to remain on the to resolve air traffic bottlenecks throughout Europe.

Mr Keith Mack, controller of control to reduce the number of aircraft in airspace covered by crowded with passengers unable vices and director-general desig-Barcelona air traffic control. to join flights throughout the day nate of the European air traffic

from the UK this year at a time

from the UK this year at a time night, the terminal was packed be possible to identify potential when the UK package holiday as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited bottlenecks and provide alternating the possible to identify potential as more than 5,000 people waited by the possible to identify potential as more than 5,000 people waited by the possible to identify potential as more than 5,000 people waited by the possible to identify potential as more than 5,000 people waited by the poss

by the UK Civil Aviation Author

MANY THOUSANDS of UK holi- Civil Aviation Authority to offer about 1,500 passengers were still

This has emerged as a serious problem, especially for the UK charter airlines in recent weeks, and is expected to worsers as the life Curil Aviation Author.

Out control of the Spanish areas affected include mainland Spain, the Balmost Cincinness and the Canary Islands as well as but the IFF Curil Aviation Author. traffic volume moves towards its ity as a result of UK flow control. ish air space towards other desti-

The increasing delays involvalready becoming worried by the rising cost and the strains these recommended maximum is 10.

Palma airport on Majorca shut in the UK, France and West Germerely disrupted flight schedentifly on Saturday night. This

Airport lounges in Britain were the UK National Air Traffic Ser-Flow control is a method of limiting the number of take-offs and at Gatwick some departures control organisation, said last ing the number of take-offs and at Gatwick some departures control organisation, said last were delayed by eight hours.

At Manchester, flights were opment of a central data bank of held up for three to four hours, air traffic control information with Palma-hound passengers covering 16 European countries.

By predicting demand, it would from the UK this year at a time

#### Hamleys closes five out of six regional shops

Financial Times Reporter

HAMLEYS, the toy shop chain, is HAMLETS, the toy shop chain, is to close five of its six regional stores as part of a reorganisation. Branches in Bath, York, Newcastle, Harrow and Kingston, all opened within the last four years, will shut. This will leave Sheffield as the only regional outlet. Shops in Luton and Croydon have already been closed.

Mr Bob Brown, Hamleys man-aging director, said: "Our expan-sion out of London has not proved very successful."

Losses of \$2.66m at Hamleys In the last financial year contributed to a sharp drop in tha profits of Harris Queensway, the furnishing group which hought Hamleys for £30m two years ago.

About 100 staff affected by the About for star anected by the closures will be offered jobs with Harris Queensway. Hamlays' operations will continue to be centred at its headquarters in Regent Street, London

#### Survey tracks home movers

PEOPLE moving home in England move an average distance of 47 miles, Savilis, the estate agent, said in a survey published yesterday.

The average distance of a move

in Scotland is 133 miles because a large percentage of home movers are foreign buyers and expatriate Scots returning home. Prices in London continue to

rise sharply and a large town house on a 45-year lease in cen-tral London costs at least £2½m.

#### Howe rejects rumours of rift with Prime Minister

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

It was the timing of Sir Geoff-rey's remarks, coming when Mrs Thatcher was in disagreement with Mr Nicol Laurence Common Street Common Street

SIR GEOFFREY HOWE, Foreign Secretary, yesterday made his first public response to mounting speculation about his future, claiming that reports of his political death were "greatly exaggerated."

Sir Geoffrey's relationship with Mrs Thatcher has come in for closa scrutiny since recent remarks by the Prime Minister which were taken to suggest she did not see her successor coming from within the party's existing hierarchy.

Suggestions of a rift, which could lead to Sir Geoffrey being moved in the next Cabinat reshuffle, were fuelled when he endorsed early British entry into the European Monetary System, something which Mrs Thatcher does not favour.

It was the timing of Sir Geoffrey reprise remarks coming when Mrs The selection of the selection o

He acknowledged there were Thatcher was in disagreement bound to be occasions when peowith Mr Nigel Lawson, Chancellor of the Exchequer, over various issues. That did not exchange rate policy, which was mean the partnership was over.

Copies of our 1987 annual report are available from

Morgan Grenfell & Co. Limited S.G. Warburg & Co. Ltd. 23 Great Winchester Street London EC2P-2AX

33 King William Street Landon EC 4R 9AS

BASF Aktiengeselfschaft D-6700 Ludwigshafen





The Annual Report as of 31st December 1987 has been published and may be obtained from:

Pierson, Heldring & Pierson N.V.

Herengracht 214, 1016 BS Amsterdam, The Netherlands.

Only Allied-Lyons could have discovered such an enormous market for green-tea ice cream.

In Japan we've developed greentea ice cream to cater for local

ts

In Australia we've discovered red-bean ice cream. mango is a hot favourite.

Whereas in Taiwan, they prefer

It's local knowledge like this that is helping us sell ice cream to 500 million customers through our 3000 Baskin-Robbins outlets across 37 countries.

Allied-Lyons. Food and Drink to 150 countries around the world.

ALLIED LYONS

INCOME TAX reductions have become part of "the new interna-tional consensus of the 1980s," says Mr Nigel Lawson, Chancel-lor of the Exchequer, in a pamphlet published today.

In a comprehensive review of the Government's taxation policy. Mr Lawson argues that its reforms are about changing the "very culture" of Britain. He says tax reform is an essential instrument for improving the performance of the economy and has played "a critically important part in Britain's economic renais-

The pamphlet, published by the Conservative Political Centre, a party think tank, contains the first overview of taxation policy written by Mr Lawson since he became Chancelor.

Mr Lawson says other countries are following tax policies similar to Britain's. In particular, similar to Britain's. In particular, income tax retes are being cut in the US, Canada, Japan and New Zealand. He says the burden of income tax in Britain has ehifted from the great bulk of the population to the better-off. In the final year of the last Labour government, the top 5 per cent of taxpayers shouldered 24 per cent of total income tax payments; in the current financial year — in spite of top rate tax cuts — they will bear 28 per cent.

"We have now brought the top in the pound, which most people will regard as reasonable. So for the first time from the pound, which most people will regard as the tax system that will allow the tax system that will allow the top of independently will enhance further the acceptability" of the tax system.

"We may well come to look back on the 1988 Budget not only as the one which finally marked the end of high tax rates in the thing betw per cent.

"Breryone — or almost every—which marked the end, at long to the next decade. Mr Lawson says planned changes to the tax system that will allow the tax system that will allow the tax system that will allow the top of independently will enhance further "the acceptability" of the tax system.

"We may well come to look back on the 1988 Budget not only as the one which finally marked the end of high tax rates in the UK. . hut also as the Bndget which marked the end, at long to the next decade, Mr Lawson says planned changes to the tax system that will allow the top of the tax system that will allow the top of independently will enhance further the acceptability" of the tax system that will allow the top of independently will enhance further the acceptability" of the tax system.

"We may well come to look back on the 1988 Budget not only as the one which finally marked the end of high tax rates in the UK. . hut also as the Bndget which marked the end, at long the tax and the top of the tax system.

"We have now brought the top of the tax system that will allow the tax system that will allow the tax system that will allow the tax sys



sure on inflation and to maintain a stable framework in which the

ment'e objectives have been to leave people with more of their own money and to reduce mar-

den is now better distributed. He argues that taxes on companies

Looking to the next decade, Mr week in VAT, excise duties and awson says planned changes to other indirect taxes. Mr Brown claimed that only Mr Brown claimed that only the same of the sa

one - now accepts that the last, of the second-class stains of proper role of macro-economic married woman," he says.

Tax Reform: the Government's

Record. Conservative Political Centre, 32 Smith Square, London SWIP 3HH. £1.75.

The majority of British fami-lies pay more in tax and national insurance contributions than they did in 1979, in spite of subseown money and to reduce marginal tax rates so that it is worth working for an extra pound of profit or earnings.

It has also sought to ensure that people's choices are distorted as little as possible.

He admits that taxes and the supplied by the Government in settlement and the supplied by the supplied

national insurance as a proportion of national income have the average family would this risen since 1979 but says the buryear pay 36.9 per cent of its total den is now better distributed. He income in taxes and contributions, against 35.6 per cent in

have been shifted away from 1979.
employment to profits, while taxes on individuals have been was now paying £41 a week in transferred from income to income tax, £32 in national insurance contributions and £32 a

the tax system that will allow husbands and wives to be taxed independently will enhance further "the acceptability" of the tax system.

Mr Brown claimed that only the top one per cent of wage earners had seen their tax burden sharply reduced. Cuts at this end of the income league had been worth an average £20,000 a "We may well come to look been worth an average £20,000 a back on the 1988 Budget not only year and the share of income as the one which finally marked paid in taxes had fallen by anything between 10 per cent and 40

#### **Short Bros** wins orders for aircraft parts in US

SHORT BROTHERS, the Belfast serospace group, has won work worth between £25m and £40m as a result of recent big orders from US and other airlines for Boeing airliners and for Rolls-Royce jet

More than 200 Bosing 757, 787 and 747 airliners worth several billion dollars collectively have been ordered by US and UK air-lines and by the US-based Inter-national Lease Finance Corporation. Short's share of these deals will include work on inboard trailing-edge wing-flaps for the Boeing 757, undercarriage doors for 747s and rudders for the 737s.

In addition, Short will share orders for Rolls-Royce RB-211-535 engine mountings and casings for the 50 firm and 50 optioned 757s for American Airlines, and possibly also for RB-211-524s for the Boeing 747-400s ordered by ILFC Mr Roy McNulty, managing director of Short, said the company's work on airframe parts had been inconspicuous. But with forecast aircraft demand indicating strong growth, con-tracts with Boeing and Rolls-Royce demonstrated the Rolls-Royce demonstrated the benefits of applying their expertise in making and designing complete aircraft to production of high-technology components.

The new firm, Weightman Rutherfords, combines Weightmans' shipping, litigation, insurance and rapidly growing professional indemnity husiness with high-technology components.

# Compact disc player sales soar

The sharp rise in demand, up about 38 per cent on 1986, puts compact discs alongside video cassette recorders and colour televisions as one of the most successful products ever in the household electronics industry.

It also adds to the UK's deficit

in consumer electronics at a time when the Government's policy of encouraging inward investment from Japan was beginning to reduce the imbalance in other

reduce the imbalance in other electronic products.
Sales figures take into account both stand-alone CD players and combination units included in music centres. According to the British Radio and Electronic Equipment Manufacturers' Asso-

player sales made by the BIS to Thomson of France, the rise in Mackintosh market research group amount to around 250,000 units, taking the total market to not far short of 1m, with a retail value of approximately £220m.

Virtually all of these products were imported. There are no UK manufacturers in the industry, which is dominated by Philips of the Netherlands, with about 20 per cent of the market, and Sony of Jena with 12 per cent. All the per cent in 1887 against 30 per manufacturers in the industry, which is dominated by Philips of the Netherlands, with about 20 per cent of the market, and Sony of Japan with 12 per cent. All the

THE UK market for compact disc players scared to almost Im units last year, comfortably replacing the video cassette recorder market as the fastest-growing sector of consumer electronic sales.

The sharp rise in demand, up about 38 per cent on 1986, puts group amount to around 250,000 in the production from Japanese group amount to around 250,000 in the production from Japanese group amount to around 250,000 owned plants in the UK pushed units taking the total market to un exports to £209.6m last year, and the production from Japanese control of the players amounted to 737,000 in isonometric players amounted t

wil

of Japan with 12 per cent. All the other leading companies are Japanese and of these only Alwa manufactures in the UK.

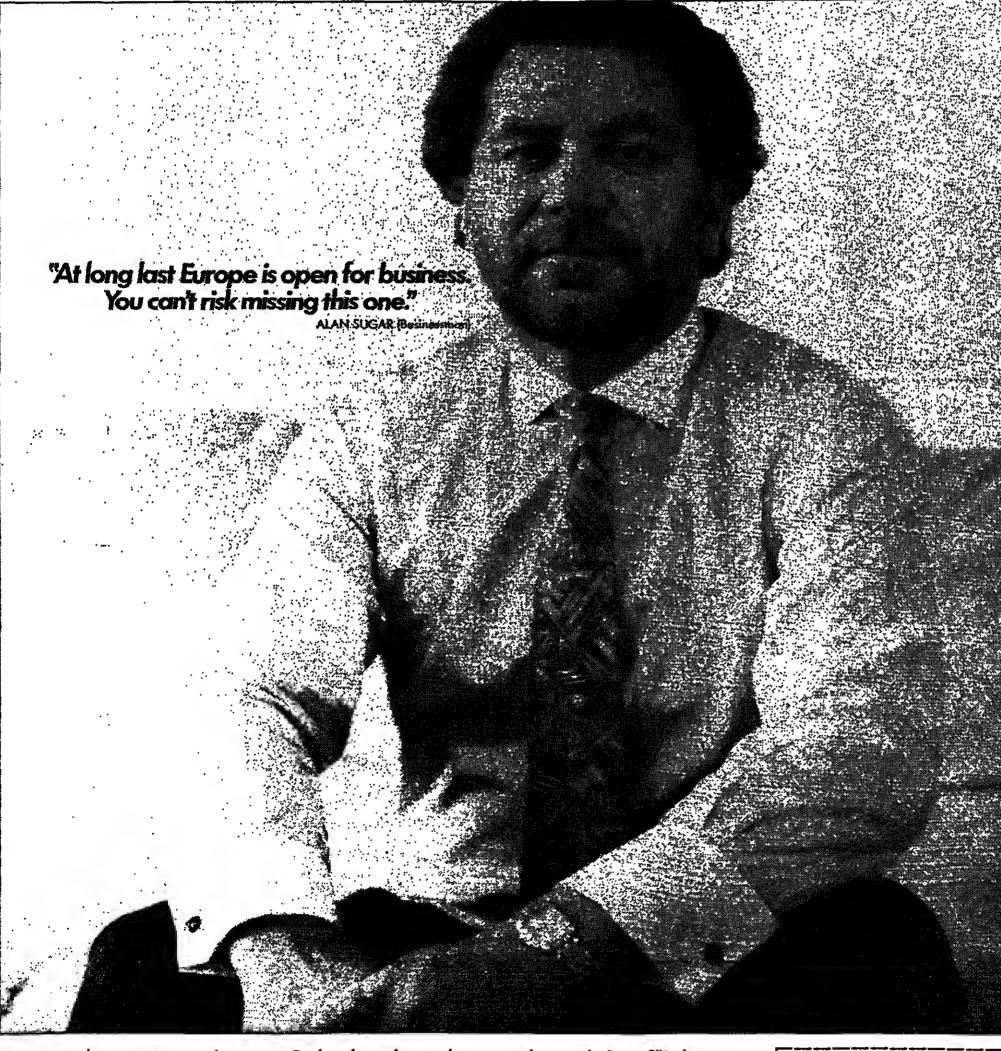
The surge in CD player imports comes at a time when UK-based television manufacturers have managed to break into trade surplus for the first time since the vice with 12 per cent in 1987 against 30 per cent the previous year, reaching 2.2m units. Manufacturers have also been hit by a sharp price drop in VCRs. At present, 54 per cent of UK households own a VCR and experts believe the market will be saturated when it reaches the 70 per cent level.

#### Two Liverpool firms of solicitors merge BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

TWO OF Liverpool's oldest firms
of solicitors — each a specialist
in particular commercial legal
areas — have merged to create a
while Rutherfords' expertise in employwice-chairman of the new practice, is a Liverpool FC director.
The chairman of Weightmans'
while Rutherfords' origins have
while Rutherfords' origins have
been traced by the contract of the new practice, is a Liverpool FC director.
The chairman of Weightmans'
while Rutherfords' origins have of solicitors - each a specialist in particular commercial legal areas - have merged to create a more broadly based practice that will further strengthen the north of England's autonomy in profes-sional services for industry.

employers in the north-west, ties, this puts it in a similar although the practice's most league to about a dozen other famous client is a smaller business, Liverpool Football Chub, for which Rntherfords acted for Yorkshire which have grown or many years. Mr Tony Ensor, merged recently.

been traced to 1829. Rutherfords has 22 partners, 11
Shipping, insurance and brewing remain major industries and staff. Coupled with its speciali-



Amstrad computers are market leaders in several European Community countries.

But Alan Sugar is looking forward to 1992 when separate specifications and the need for different computers for each country will be just a memory.

By then the twelve member countries, including Britain, will be working together as a single market.

With less than five years to go, you need to find out now how the changes will affect your business.

And your future.

So seize the opportunity and

phone our hotline or fill in the coupon for more detailed information.

01-200-1992

Your business will never be the same again. Whatever your business,



#### **APPOINTMENTS**

#### Regional general manager for NatWest division

eppointed a regional general appointed company secretary of manager in NATIONAL WEST- WESTERN MOTOR HOLDINGS.
MINSTER BANK'S domestic He was financial controller. hanking division. Regional executive director for onter London
region since January 1987, he
joins Mr Hugh Jones and Mr Gordon Lane as head office-based
regional general managers
responsible for controlling the
bank's new regional structure.

SUNLEIGH ELECTRONICS has appointed Mr John Martin to the Esler has been appointed sales main board. He is managing and marketing director. He joins director of Powa Kaddy International which was acquired by Spulaish last weer. Sonleigh last year.

WATTS, BLAKE, BEARNE & appointed Mr. Terry Miles as an CO., has appointed Dr Ingram associate director, international Lenton as deputy chairman. He department. was chairman and managing

Peter Taylor have been appointed joint managing directors of SHARP & LAW SHOPFIT-TERS. Mr Robinson was contracts and production director, and Mr Taylor was sales director. Mr Doug Thompson has been appointed contracts director.

GRAND METROPOLITAN has GRAND METROPOLITAN has decided to structure its organisation according to its strategic business sectors and has realigned board responsibilities as follows: Mr G.J. Bull (drinks, Far East advisory committee); Mr LA. Martin (foods, hotels, North American advisory committee); Mr C. Strowger (retailing and property, group finance and property, group finance and systems, European advisory com-mittee); Mr D.E. Tagg (betting and gaming, group services).

W.H. SMITH GROUP has appointed Mr David Roberts, managing director of W.H. Smith

DRINKMASTER, a subsidiary of Initial, has appointed Mr Lee Cummins as chairman. He replaces Mr Michael Walker, who is retiring but remains an execu-tive director of Initial.

SCM CHEMICALS has appointed ADVANCED PROCESSOR Mr James Hancocks as a director DESIGN has appointed Mr Rou J. and general manager responsed for the pigments businesses operated from the UK. He was works appointed Mr John Martin to the Esler has been appointed as less several manager.

dar febtik

#.T.

ALEXANDER STENHOUSE has

appointments. Mr Nick Jone becomes managing director, he was legal systems division director. Mr Roger Miles Holland, the company's founder, relinquishes his post as chairman, but remains a director. Mr Jon Richrds, formerly managing director, becomes chairman. He is on the board of parent company UEI, and chairman of Miles sub-sidiaries Pagitek and Databasix. Mr Donald Sullivan, president of the US subsidiary, joins the board. Mr Tom Huckin becomes legal systems director. He was director of sales and marketing of the legal systems division.

Mr David G. Tree has joined the board of HIGH-POINT SERVICES GROUP as a non-executive direc-tor. He is a director of SBCI Savory Milln's corporate finance department, where he specialises in the construction industry.

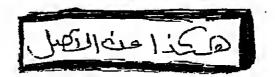
GIBBS HARTLEY COOPER. Lloyd's broking subsidiary of The Retail, and Mr Neil Thomas, group deputy managing director, to the main board.

AYH PARTNERSHIP has appointed Mr Michael Wright as director of its reinsurance divisional director of project management from July I. He was with Trafalgar House Developments.

Hoyd's broking subsidiary of The Hoyding Subsidiary of The Hoyding Subsidiary of The Hoyding Subsidiary of The Hoyding and Shanghai Banking Corporation, has appointed Mr Mike Bishop as joint managing director of its reinsurance division and Mr Keith Walker as a director of management from July I. He was with Trafalgar House Developments.



BARCEIONA: Saler Cabus - BRIDZELLES: Writnogen - DÜSSELDORF: Wirmpe - FIRENZE: Calosci, Cappini - FRANKFURT: Wempe - GENEVE: Chimento. Benoti de Goraki, Clorwice, R. Zhinden - HAMBURG: Wempe - HONG KONG, Dickson, Sanny - LONDON: Gamerd, Hilton Jesueller. David Morra. The Watch Gallery, Witches of Smitnerdand - MADRID: Montely Millano: Funna, Goldin, Verge - MONCHEN: Wempe - NEW YORK, Food Wempe - PARTS: Frad, Wempe - BONA: Bedelti, Martini - SINGAPORE: The Hour Glass - TOKYO: Janel Gallery - VENEZIA: Schnelori - WIEN: Schnelin - ZÜRICH: Barth, Gall, Massien



# Council uses new spending rules to cut energy bills

oar

A CONTRACTOR OF THE PARTY OF TH

of the second

oai kwi

nerge

A Marie Barrello

Course other

William Bet 12

nager

h has been COLUMN C

the subject of the su

1.000

r. A. dier. e. 15 C.E.

The American

1000 A CONTRACTOR

the water

production of the section of the sec

Day Vis

n Minsa

1-1-1-1-2

A Nich Jan 200

o Holland a

Mr. Int Ed 100 m 100 m

· 1350

en en en en en els ene

general de la companya de la company

الواجع بين من المالية المالية

STATE OF THE STATE

The state of the s

Mr Maria

BRITAIN's energy management contracts would amount to little

Lancashire has hecome Britain's first local authority to sign an agreement under new Treasury guidelines which allow a contract energy management company to provide capital investment while guaranteeing a which has a total annual energy bill of £14m, has signed a seven-

properly and approved by local Mr James Hopkins confirms, is auditors, they are reckoned as that it solves the financing probrevenue contracts which do not

ital ontlay, a private company £350,000. may hesitate to replace inefficient heating equipment. The contract energy management and Lancashire will receive an company solves this by finding a solution to the energy problem and financing the cost of new buildings' annual energy bill by continuous to replace inefficient from the capital account come from the capital account com equipment. The savings in at least 41 per cent from a energy bills are split between the starting base of £260,000. The first

by the management company, continue conservation efforts. which assumes the risk for the effectiveness of the scheme.

Up to now, local authorities four years of the contract. have hesitated to enter such The novel aspect of the deal schemes, fearing that the man-was to present all this as a management company's capital agement contract. This was done expenditure would be counted by means of a substantial service against their permissible spend-component including design, ing limits, despite strong installation, and monitoring and

been that energy management scheme.

industry stands to receive a big boost if a contract recently signed by Lancashire County Council sets a precedent for other local authorities.

Lancashire has become Lancashire that part of the savings would simply be passed to a private company. In guidelines issued late last year, the Treasury indicated that contracts would amount to intermediate than disguised schemes to finance capital investment, and that part of the savings would simply be passed to a private company. In guidelines issued late last year, the Treasury indicates the contracts would amount to intermediate the process of the contracts would amount to intermediate the process of the contracts would amount to intermediate the process of the contracts would amount to intermediate the process of the process of the process of the contracts would amount to intermediate the process of t cated that contracts could be considered as revenue contracts proCall for

changes to

legislation

on supply

for handling complaints.

fail to resolve.

reduced energy bill.

The arrangements are attractive because they promisa to reduce energy bills without cutting into the authorities' capital tion for the connell, as lancashing allocations. If framed lancashing county chief engineer lancashing chief engineer lanc lem. Lancashire, which has 2,500 run foul of spending limits imposed by the Government.

Contract energy management is a concept that has gained wide acceptance in the private sector.

Because of the large initial capitudes a capital commitment of imposes a capital capit

two parties for an agreed period, chunk of savings will go to the after which the equipment county and the remainder of an agreed amount will go to Inenco.

The agreement includes a technical and service component as savings beyond the 41 per cent, well as a financing commitment thus retaining an incentive to Inenco figures that it can cover its capital and financing costs in

endorsement of the schemes by management of the system. That the Department of Energy.

The Treasury's concern has anditor who approved the

#### Madame Tussaud's 'most popular tourist venue'

MADAME TUSSAUD'S, the Lon- with 1.5m visitors and Kew Gar-

and was the top tourist attraction toric properties, although the for the second year running, tourist anthority says visits to Blackpool of isure beach was the most popular free attraction. with 6.4m visitors. Madame Tus-

rose 5 per cent last year to a Garden Surrey.
record 147.5m, the authority says. The British Museum was the sure park in Staffordshire, and admitted free.
the Tower of London, both of Visits to tour

managem to the control of the control of the control of the charging admission last year.

A survey shows that the museum had 24m paying visitors. Only four of the top 20 attractions charging admission last year were them.

such sites were ahead 9 per cei The most popular garden after Kew was Duthie Park Winter sand's is owned by Pearson, publisher of the Financial Times. Gardens, Aberdeen. This was followed by Stapeley Water Garlisher of the Financial Times.
The number of visitors to
Britain's main tourist attractions

Garden, Edinburgh, and Wisley

record 147.5m, the authority says. The British Museum was the The second and third most popular museum with 3.7m ular attractions charging admis-sion were Alton Towers, the lei-Gallery with 3.5m visitors, all

Visits to tourist attractions 1987. which had more than 2m visitors. BTA Circulation Unit, 4 Bromells Blackpool Tower came fourth Rd, London SW4 OBJ. £6.00.



IF IT'S IMPORTANT, DON'T JUST FAX IT.

With dex high tech facsimiles from Japan's No.1 computer maker.

call 01-573-4444

Dealer enquiries invited

Max Wilkinson on the continuing debate over how to regulate a privatised industry

# Battle for commanding heights of electricity

CANNONS are being trundled out around the electricity indus-try in readiness for a battle over the powers of the regulator after privatisation in two years' time.

The battle, to be fought during

BRITAIN's antiquated legislation the summer and early autumn, is likely to have as decisive an governing electricity supply should undergo sweeping changes when the industry is priinfluence on the industry's future vatised, says the Electricity Consumers Council in a report pubbroken up for sale.
This is because the white paper

lished today.

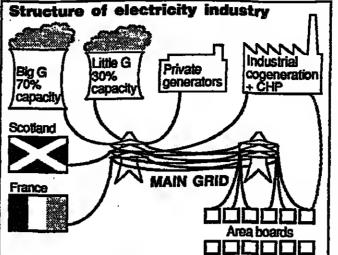
The report, part of the council's consultations with the Energy Department, calls for a on the future of the industry in March only sketched out a struc-ture and left most of the impornew legal framework based on tant details for a later decision. clarity, consistency and fairness. Its recommendations include: However, in the consultations with senior figures in the indus- The new electricity distribution companies must be required widely agreed that the office of regulation will be the command to introduce effective procedures ing height of the new privatised electricity service. • The new director general of electricity supply must have powers to determine any complaints

The powers given to the regula-tor will determine not just the that the distribution companies profitability of the 17 private electricity companies, but most • Disconnections for debt of the important relationships between them, the scope for outshould be unnecessary as the companies should be required to side competition and the pattern supply for cash where they are

supply for cash where they are on the pattern of the pattern of capital investment.

Mr Tony Boorman, the council's director designate, said the existence of 22 acts of Parliament erating Board, which controls dating from 1882 did not reflect power stations and the national terms of the pattern of the pat the needs of the electricity mar-transmission grid, is to be broken into three parts. The largest, "Big ket in the late 20th century.

Protecting the Customer, Privatisution Discussion Paper 7. Electricity Consumers Council, 2/16
Torrington Place, London WCIE
Torrington Place, London P



The transmission grid will be a separate non profit-making com-pany to be owned by 12 area dis-tribution companies. These will be the successors to the present area boards, which sell electricity to consumers. In Scotland the South of Scotland Electricity Board and the North of Scotland Hydroelectric Board will be sold

The most important task of the The most important task of the regulator will be to "police" the contracts which the distribution companies will make for huying wholesale power. These could be with generating companies, industrial companies with surplns power ("co-ganerators"), combined heat and power schemes (CHP) or new independent power companies.

The regulator will have to make sure that these contracts do not result in excessively high prices for consumers. The battle now being joined is about how the regulator should

do this. Not surprisingly, most area board chairmen believe the regulator should be told to interfere as little as possible. They say that the industry is in competi-tion with gas and oil, at least in the heating market. They believe customers can be protected by a

powers to inspect and perhaps sumers would not achieve this.

disallow individual contracts. Moreover, a regime which sallow individual contracts. Moreover, a regime which the argument turns on who allowed all fuel costs to be passed

should carry the main risks of on could give the industry a pe unexpected cost increases, perhaps from rising interest rates, a plant with high fuel costs. collapse of the pound or a sharp rise in world prices of coal and oil in dollar terms.

The area boards want electricity consumers rather than their shareholders to pay most of these They can cite as a precedent the gas industry where annual price rises are limited by the formula "RPI minus X plus Y". This says, in effect, that prices may rise by X percentage points less than the annual rate of inflation, plus any increase in the cost of buying gas from the North Sea.

The Government will face several difficulties, however, if it wants to apply the same formula to electricity. The most important is that the cost of electricity in the wholesale market reflects a much greater diversity of factors than is the case for gas. Since electricity can be gener-

ated from different fuels includ-ing gas oil, coal or nuclear, with widely varying costs of production, the Government will want

simple formula to limit annual to pnt distribution companies price rises like that applied to under the strongest discipline to make the best choice of plant Others, including some civil regulatory formula which servants, believe that the regula-allowed all increases in generattor will require the most detailed ing costs to be passed on to con-

> verse incentive to huild cheap Another major difficulty is that boards in less prosperous regions believe they have less opportu-nity for reducing their own costs

compared with those serving high growth areas. extra costs, and the generating companies are likely to support them with some reservations. Show that the regulator must be able to vet individual contracts. The argument will come to a head when representatives of the new companies and civil servants meet to draw up the first con-

tracts later this year. When the industry is privatised each distribution company will be endowed with contracts for the output of a group of power stations (or part of the out-put of a station). However, it remains to be argued how much of future increases (or savings) in fuel costs should be passed on

companies by these contracts.

The options range from a very general escalator clause linked to world energy costs to a highly specific provision to pass on the fuel costs of each plant.

GLOBAL INTEGRATION OF JAPANESE MANAGEMENT

ADVERTISEMENT

# **Abreast of Market Trends**

With market capitalisation of approximately \$27 billion and global revenues in 1986/1987 of some \$5.1 billion, Daiwa Securities Co. Ltd. today ranks among the world's largest securities firms. A leading member of the Tokyo Stock Exchange, it is a prime sponsor of foreign listings in Tokyo, and a market maker in Japanese equities and warrants internationally. In North America, Daiwa is a primary dealer in US government paper, while in London, Amsterdam, Hong Kong and Singapore banking subsidiaries complement its securities operations.

Recent developments include the pioneering of the Euroyen commercial paper market, devising the innovative Daimyo (Samurai-Euroyen hybrid) concept for a ¥40 billion issue by the World Bank, and leading a \$125 million domestic offering for General Telephone of California—the first US domestic issue to be led by a Japanese securities house.

Makoto Kasui, Chairman of Daiwa Europe, discusses Daiwa's recent By Brian Robins

performance and outlines prospective future trends.

Mr. Makoto Kasul, Chairman, Daiwa Europe Limited.

Robins: How are you finding world capital markets activity in the aftermath of last October's global downturn?

Kasui: Business is much healthier than it was at the end of 1987. Christmas was rather gloomy, but we have experienced a very significant recovery since February, broadly in line with Tokyo's upturn. At the same time, we have diversified our base, although trading in Japanese securities remains our most stable and reliable source of income. The net result is that, although the first four months of the current financial year were, to say the least, rather difficult, prospects for the year as a whole have greatly

Robins: Where is Daiwa cur-

rently strongest? Kasui: Warrant-related issues are performing very well. Oversupply weakened the warrant market a little last summer, and the October crash compounded this problem. But October also taught some valuable lessons. Issuers and underwriters are now less aggressive than they were last year, and more concerned with the maintenance of a good, orderly market. Better ement is consequently linking with reviving demand to generate renewed sector strength.

Robins: How do you see world market trends developing? Kasai: New York showed signs of recovering earlier this year, but has since fallen back, and I think we must remain very cautious-at least until after the presidential elections.

Japan on the other hand looks very strong, with a very favourable bond market supply and demand position. I am thinking here particularly of the Japanese government's decision to redeem ¥16.3 trillion worth of bonds, of which some ¥10 trillion carry a coupon of 6.1 per cent at a time when Japanese bonds have been averaging 4.6 per cent.

> Quality names fuel yen bond growth

generate both substantial bond market liquidity, and important demand for attractive new issues, and we identified triple A class sovereign borrowers as major potential beneficiaries. Good names, offering the same investment stability as the Japanese government together with a handsome yield differential, will henceforth spearhead our bond policy -indeed, we have already helped Austria raise a total of \$70 billion in two issues with maturities of 10 and 15 years at a fraction under six per cent, and followed through with a \$50 billion seven year issue for Norway at just over five per cent.

Our research strength and excellent links with Japanese institutions have also enabled us recently to place more than \$100 billion in seven per cent Bull-Bear bonds linked to Japanese government bond futures. We were particularly pleased to have been able to lead manage two such issues totalling ¥35 billion for British Petroleum, one of the prime corporate names

in the world. As a result of these and other related initiatives, Daiwa has already established itself this year as a clear leader in the Euroyen

Robins: What about international equity investment?

Kasui: Our brokerage business has also been picking up steadily since Tokyo began to recover, and foreign investors—who once held as much as 8.8 per cent of Japanese equities, and then remained steady net sellers for 3-1/2 years down to a four per cent low just after last October's crash-are starting to return. A general view that high values made Tokyo the world's most vulnerable market has now given way to an appreciation that Japan's economic strength in fact makes Tokyo the world's most resilient

Robins: What sectors are you recommending?

Kasui: Well, the Japanese economy is in fact so buoyant at the moment that virtually every sector has its attractions for investors. Consequently, it is timing which holds the key to investment

decisions in the Japanese market, rather than sector selection. Having said that, Japanese investors themselves have recently been tending to focus particularly on consumer durables and domestic growth-oriented market leaders, and thereby pushing prices to very high levels. However, Tokyo also offers many attractive second line issues with strong fundamentals and promising prospects.

Robins: What view do you take of London?

Kasui: London's fundamentals are very attractive—the political environment is stable, business is going well, sterling is strong. Consequently, we fully expect Japanese investment exposure in the London market to increase substantially in the coming months.

> M&A surge gathers strength

Robins: What about the acceleration of M&A interest by Japanese companies?

Kesnie One must remember

that Japanese corporate managers have tended up to now to avoid head-on culture clashes, preferring to buy land, build new facilities, and hire and train local workforces, rather than commit themselves to buying existing operations which may follow quite different business practices, and possess very different corporate cultures. Consequently, I think it may still be a little early to talk in terms of a major outflow. Nevertheless, Japanese companies are definitely taking more interest in cross-border corporate acquisitions these days, and we are watching this trend very closely. Certainly we are in an excellent position to introduce European companies targeting Pacific Basin markets or seeking capital, technical or management inputs to potential Japanese partners.

Robins: What plans do you have for your banking operation? Kasui: Daiwa Europe Bank is proving a great success. It began operations in March 1987, and earned a good profit in its first reporting period to September 1987. More recently, we have developed a strong capability in Swaps,

while at the same time working to ty corporate customers both within the UK and internationally. In the longer term, we regard continued development of our banking operations as a key area of focus, not only to complement our existing operations in the London market, but as a major element in our global strategy of diversification.

Robins: You are waiting for a gilt dealing licence as well.

Kasui: We have successfully completed our discussions with the Bank of England and, subject to filling one or two more positions on the team, we hope to begin market making in gilts shortly. We feel that dealing in government paper in London will complement our existing operations dealing in government paper in Tokyo and New York.

Capital base boosted

Robins: Have you plenty of

capital to finance all these plans? Kasui: Certainly. Daiwa Europe's paid up capital at the end of September totalled £35 million, and our overall net worth was in the region of £100 million. We strengthened this base earlier this year with a subordinated loan of some £30 million that ranks as qualifying capital under The Securities Association rules, and we are considering

further additions to our capital base

which I expect will raise our total

available capital resources to ap-

proximately £170 million in the near

Robins: What is your strategy for the future? Kasui: We have some clear priorities. Localisation is a key gaining experience of local markets, utilising local expertise, and then actively competing for local business. As part of this process, we plan to build our European centres in Belgium, France, Germany, Holland, Italy and Switzerland into much more autonomous units serving their own specialised market needs. Our cross-border capabilities will also be enhanced. Recently, we were asked for Deutschemarks by a customer, but encountered withholding tax problems. However, the Austrian schilling moves in a very stable relationship to the mark, so we were able to provide the money in schillings together with a swap arrangement instead. Localisation will enable us to build this type of cross-border business progressively as Europe moves towards 1992.

Robins: Do you see 1992 as a major opportunity?

Kasui: Very much so-a unified European market which rivals the size of Tokyo and New York clearly possesses enormous potential. It will of course also be a very challenging environment, but in a sense we Japanese are particularly well-placed to meet that challenge, since it is perhaps easier for us to consider Europe as a whole than our competitors from Britain, France. Germany and so on.

We are already looking at restructuring our European operations in order to be fully prepared for the new order, but here again we are determined to progress slowly and carefully, step by step. We are totally committed, longterm, to the European market, so we have no intention of rushing our plans.



Daiwa Securities Co. Ltd.

Tokyo Head Office 6-4, Otemachi 2-choma, Chiyoda-ku, Tokyo 100, Japan Tel: (03) 243-2111 Telex: J22411 Dalwa Europe Limited 5 King William Street, London EC4N 7AX, U.K. Tel: (01) 548-8080 Teles: 884121

Daiwa Europe Bank plc Level 19, Clty Tower, 40 Basinghall Street, London EC2V 5DE, U.K. Tel: (01) 374-4525 Telex: 9419121

# When the familiar becomes strange



STRANGENESS sets in remarkably quickly. It is not that there is anything unusual going on in Britain at the moment: most of the arguments — the poli tax, the EMS, house prices and the Green Belt, for example — had already been worked over during the wet summer of 1987. After a the water, can look a lift mere six months away, though, the once-familiar appears odd. Thatcher as a Red Queen

regional interests. However, the British system, seen from across the water, can look a little like Alice in Wonderland, with Mrs

wife, straightening and dusting.
The Treasury worries about the money supply, the Bank of ent meaning in the US: it is not a England about credit and house matter of orderly numbers, but

even grotesque. How does the US
Embassy explain these things to
Washington, I can't help wondering?

Thomas Jefferson would surely
have enjoyed this problem, for it
was he more than any of the
other founding fathers who
ensured that the American
notion of democracy would be so
different from the British that it
would invariably produce different answers to similar questions.
The difficulty, and the fascination, of crossing the Atlantic lies
in understanding how these differences work.

The American system, viewed
from London, seems cumbersone
and perverse. Important issues
disappear for months into an
arcane system, of committees and
horse-trading and the answers
that finally emerge often seem
that finally emerge often seem
cumbersone statility energe often seem
cumbersone semb cumbersone send perverse. However, the
British system delivers quick
exchange rate and the Prime
exchange rate and the Prime
imperfect answers slowiy, but at
Minister about excessive interwenthan the prime subjects of the sextines to settlessly out with full information. The
adjusted in an effort to get
adjusted in an effort to get
is also a background feeling,
which Americans find quite
in interest rates are good for you,
so like syrup of figs.

It would be nearly impossible
in getting any policy through
in getting any policy through
this particular kind of mess
is also a background feeling,
which Americans find quite
in interest rates are good for you,
so like syrup of figs.

It would be nearly impossible
for a US government to get into
the committee of
the work and the fascination, of crossing the Atlantic lies
in understanding how these differences work.

The American system delivers quick
exchange rate and the Prime
Minister about crossive interto wention. Policy is restlessly
wention. Policy is restlessly
wention. Policy is restlessly
wention. Policy is restlessly
which Americans find quite
in also a background feeling,
which Americans when
it would be nearly impossible
for a US governments
in getting a policy throu

between our systems. It could sophically, this seems right people and businesses ought to be able to judge how much debt they can service, but only a supervising anthority can prevent lending from inflating financial bubbles. In practice the US supervisors seem at times to share the heady optimism of the speculators, and regulation goes by default. Each system, as you might expect, has its own characteristic faults.

Indeed, the American rule of length of a land tax sport, in the city centre by owners who lending for American sport, in the city centre by owners who letter).

Now a small country clearly cannot hope to match the diversity to be seem in a big one, but it diversity to be seem to be productive and rather enjoyable. The tendency in Britain in recent years a lot more instructions.

Now a small country clearly cannot hope to match the diversity to be seem to all go match the sity to be seem to be productive and rather enjoyable. The tendency in Britain in recent years also shows an obsession, at times, with level playing fields.

You can visit Philadelphia to Sport is not a good metaphor for see the result of a land tax economic management (and the aggressively deployed — feveriak big business mentality has done in the city centre by owners who

ment. The system produces a lot of lawsuits, but not much good behaviour. A British government has more powers of active inter-vention and can usually stop those activities it wants to stop; bot the methods often look arbitrary and produce unresolved grievances rather than lawsuits, which are at least settled. The poll tax argument illus-rates another radical difference

Indeed, the American rule of in the city centre by owners who laws has not proved a very good need rent income to pay the tax way of regulating anything, from credit to protecting the environ
the result of no tax at all — a the result of no tax at all — a most striking discovery across t gappy sprawl of development, the Atlantic is genuine open goving also being field tested. Some also being field tested. Some Americans, and it seems to me ority to less the states, for example, give top uri-

also being field tested. Some advantage is entirely with the states, for example, give top priority to low taxes and have vignity that freedom of information for it. Others spend heavily on is protected under the Constitution of the division of powers headquarters of leading-edge assures the quality of that information industries.

that when the American system does achieve a big decision, it than one would expect in the UK. The US tax reform of 1986 is a good deal more radical than the combined effect of all Mr Lawson's budgets; hut while Mr Lawson says he has finished the job, son says he has finished the job, the Americans regard 1986 as a messy compromise and talk of going further next time. This surely has something to do with the fact that the original US Treasury paper on tax reform was far more intellectually impressive than anything any British government has felt obliged to offer.

A UK government is concerned simply to explain what it has decided, a US government has to shift the deadweight of regional interests in Congress, which makes such a mess of routine decisions. It deploys high-calibre intellectual artillery to do this; my in-tray is full of challenging papers on issues that matter, written by officials who will explain and discuss them. That is something I shall miss horribly when I return for good.

#### **INTERVIEW**

# Last of the old breed of Fleet Street press barons

Raymond Snoddy talks to Lord Rothermere, chairman of Britain's Associated Newspaper Group

were deeply interested in wielding political power, while to the first Lord Thomson a halance sheet in the hlack was a better the means of getting it to the read than anything that appeared places he should have got it to.

mere, proprietor of the Daily was whether we could speed up Mail, Mail on Sunday and the London Evening Standard, Fleet Street's last genuine hereditary minded the spoiler himself on the minded the spoiler himself on the spaper baron, seem to be the telephone from Tokyo, sheer joy of running newspapers happened to be at the time. He combined with the mischievous now reigns alone and supreme sense of humour of a very large over the London evening newspa-

and slightly naughty schoolboy. More than a year after he dra-matically revived the long dead London Evening News in one of Fleet Street's classic "spoilers" to give Mr Robert Maxwell's London

If Robert Maxwell gave him the give Mr Robert Maxwell's London
Daily News as difficult a birth as
possible, the very mention of the

grave.

If Robert Maxwell gave him the
pleasure of an old fashioned cirist hy the proprietor. Was a
culation war, Lord Rothermere's
famous head about to roll? Group Newspapers is enough to make Lord Rothermere wheeze

per market with the Standard,

possible, the very mention of the culation war, Lord Rothermere's name of the proprietor of Mirror streak of humour was displayed Group Newspapers is enough to just as publicly last month when he engaged in a debate with Mr Stewart Steven, editor of the Mail

"What gave me greatest plea-sure recently was the squashing of the Financial Times. of Bob Marwell's Daily News - Mr Steven had suggested in a

SOME newspaper proprietors that gave one enormous plea-have been mad, others bad. sore," he says.

Some, like Lord Beaverbrook, "His product was aimed at the ing political power, while to the ingredient power in the press that perhaps those with power earnings per share but of newspapers and riches in society should not complain too much if they when he took over, he says "the ingredient power in the press that perhaps those with power earnings per share but of newspapers and riches in society should not complain too much if they was collapsing into the arms the press that perhaps those with power earnings per share but of newspapers proposed in the press that perhaps those with power earnings per share but of newspapers perhaps the press and riches in society should not complain too much if they was collapsing into the arms the press that perhaps those with power earnings per share but of newspapers perhaps the press that perhaps those with power earnings per share but of newspapers perhaps the press that perhaps those with power earnings per share but of newspapers perhaps the press that perhaps those with power earnings per share but of newspapers perhaps the press that perhaps those with power earnings per share but of newspapers perhaps the press that perhaps those with power earnings per share but of newspapers perhaps the press that perhaps those with power earnings per share but of newspapers perhaps the press that perhaps those with power earnings per share but of newspapers perhaps the press that perhaps those with power earnings per share but of newspapers perhaps the press that perhaps those with power earnings per share but of newspapers perhaps the press that perhaps those with power earnings perhaps the perhaps those with power earnings perhaps the perhaps those wit power earnings perhaps the perhaps the perhaps the perhaps the

to be a form of utopian socialism descended directly from the Parliament of the Saints and equally were always very strong, our realism which in his titles.

The defining characteristics of thought-out performance from liament of the Saints and equally Vere Harold Esmond Harmsworth, third Viscount Rother was could speed up horde of "Lewditime O'Boozes" horde of "Lewdtime O'Boozes peering, in the hope of peccadillos, through the net curtains"? Rothermere went on: "Who knows but that even the upright

Mr Steven might have, one day, the seven-year itch, and a double page spread in the News of the World to look forward to." At the Mail the letter caused consternation. The editor of a deeply conservative newspaper

Stewart Steven, realising that he was having his tail tweaked, found just the right tone and replied that the suggestion that Fleet Street editors occasionally

got up to no good was an unwor-thy one. It is well known that all Fleet Street editors take a vow of chas-tity upon assuming office and a vow of poverty too," the editor of the Mail on Sunday concluded. If Lord Rothermere's rare forays into the public domain can verge on the eccentric, there is nothing eccentric at all about the performance of the Associated the middle market and we have Newspaper Group in the 17 years beaten the Express. We have the

pers saved and victories won. When he took over, he says "the Mail was collapsing into the arms press than those not so fortunate,
This, said his Lordship, seemed
This, said his Lordship, seemed edge of total extinction."

Lord Rothermere changed the Mail from broadsheet format to tabloid (or compact as he prefers Warming to his theme, Lord to call it), appointed David English editor, a post he still holds, and immediately chose Mr R. M. P. "Mick" Shields — a key figure until his death earlier this

year - as managing director of Associated Newspapers. It is a triumvirate which transformed the ontlook for Associ-

"Today we have the number one daily morning newspaper in

'What gave me great pleasure was squashing Bob Maxwell's London Daily News'

Newspaper Group in the 17 years beaten the Express. We have the since he took over as chairman from his father, the second Viscount, after a long and frustrating wait. ing wait.

in the year ending March 1971.

Associated had pre-tax profits of inent in their own fields. That \$2.7m on a turnover of \$258.49m. In 1987, group pre-tax profits achievement. Now the trick were \$256.9m on a turnover of \$258.49m. The most pleasant and satisfying achievement. Now the trick were \$256.9m on a turnover of \$258.49m. The most pleasant and satisfying them there, he says. evening newspaper. Three mag-nificent newspapers each pre-em-inent in their own fields. That is Associated had pre-tax profits of inent in their own fields. That is feres with the content of his the Social Democratic Party. I want to support 13.7m on a turnover of £58.49m the most pleasant and satisfying achievement. Now the trick is newspapers on a daily basis, but said go ahead, I think yon're neither is he an absentee landwere £56.9m on a turnover of keeping them there," he says.

Lord Rothermere now travels and his presence is felt in — and Lord Rothermere dissolves the world from his Paris home

Carmelite Street wherever he into laughter once again.

and spends only about a quarter may be in the world.

Things tend to happen at a measured pace at Associated and major acquisitions appear to be against Lord Rothermore's principles.

tax exile," he insists.

As the scion of a newspaper dynasty founded by the inventor of popular journalism in Britain, his great uncle, the first Lord Northcliffe, Lord Rothermere says he was conscious of newspa-pers and politics as soon as he could walk. He worked in virtually every department of the fam-ily firm, starting with the check-ing of the quality of postal bargains sold to readers. "I can't remember ever want-

ing to do anything else," he says in his cinttered London office. What is more fun, more exciting than the newspaper business? There's always something hap-pening. The tradition is to run good newspapers. I hope my son will like newspapers and want to get involved with them." His son Harold, a 20-year-old student, has

this country and support their interests." But isn't it Conservative governments that his news-

papers actually support?

The idea seems to be to sow
The reply has all the certainty seeds and watch the plants of a mathematical equation:
"That's because our readers are
all Conservative. They're middle
class people and middle class peo ple tend to support Conservative governments because Conservative governments look after the interests of middle class people." Lord Rothermere says he was a

supporter of Mrs Thatcher before she was elected leader because he recognised in her great leader-ship qualities and the ability to stick to a course. But his papers, he argues, are not unremittingly Conservative, occasionally criticise Mrs Thatcher and even flirt with other parties. "Stewart Steven came to me one day and said: 'All

already spent a summer vacation working on one of the family's provincial papers.

Lord Rothermere may not be the sort of proprietor who intercratic Party. I want to support the sort of proprietor who intercratic Party. I want to support the sort of proprietor who intercratic Party. I want to support the sort of proprietor who intercratic Party. I want to support the sort of proprietor who intercratic Party.

ples. As Mr Derek Terrington, publishing analyst at stockbro-kers Phillips and Drew puts it:

 PERSONAL FILE 1925: Born Aug 25. Educated Elon and Kent School, Connecticut. 1948-50: Worked for Anglo-Canadian 1951: Joined Associated Newspapers Ltd.

From 1971: Chalman Ass Newspaper Group. Daily Mail relaunched as tabloid. 1982: Launched Mail on Sunday. From 1983: President, Come

The plants do not have to be forced because a family trust controls 49.95 per cent of the shares and a small personal stake held by Lord Rothermere himself keeps potential predators at bay. One of the seeds Lord Rothermere is contemplating sowing is a new down-market tabloid to take on The Star and the Daily Mirror, which he believes are vul"The Sun, Mirror and Star -that is the area where big money is to be made. We are not in that side of the business. I've been thinking about it for years, but I think there is definitely room there for a good tabloid newspaper," says Lord Rothermere. When such a thing might happen he is not saying, except that it is unlikely before the move of Mail and Standard journalists to their new headquarters in Kensington and a new print plant at London's Surrey Docks is completed

at the end of this year.

The next couple of years will be spent, Lord Rothermere says, developing the main newspaper business, both national and pro-vincial, and expanding his chain of specialist legal newspapers in

After 40 years in the newspaper business Lord Rothermere claims to relish the idea of retire-

I want to spend the rest of my life living on a mountain top, skiing down it every morning and being carried up it every even-ing," he says with apparent seri-

Would he still telephone ever day to see what the Daily Mail was leading with?

"Absolutely every day," promises the third Viscount Rother-



After nearly a quarter of a cen-realists. tury of a penal code without the After four years of meticulous inflicted on convicted offenders death penalty, MPs will rehearse study of the evidence and the has a deterrent effect, the death the hoary arguments in a free arguments, he concluded that the penalty must have some. But the the hoary arguments in a free arguments, he concluded that the vote on an amendment to the reverse was true. Those who Criminal Justice Bill.

a head-on conflict between oppos-loss of the murderer's life. All the sesses a deterrent effect over and ing human values, largely based relevant arguments were on the above that of the alternative on the emotional origins of rival side of abolition. That was not to sanction of life imprisonment? beliefs. The proponents for and say that many abolitionists did On this score the evidence of against the death penalty instinct not seek to rationalise their emo-innumerable, almost unanimous, tively adopt their particular tional revulsion to the ultimate studies is that the death penalty stance and advance arguments penalty by dubious reasoning. that are intellectually dubious. But while hangers and non-always been about deterrence. ment.

hangers alike display their gut Abolitionists have been berated. The reactions, all the rational argu-throughout for their supposed other of dishonesty in the argu-

House of Commons tomorrow between those who persistently favour the death penalty for murder, despite the trend in the civil lised world to be rid of a barbarous anachronism, and those who resist the reintroduction of capital punishment.

After weekly in the commission on capital punishment of the key are committed within the ment in 1949, he declared that he family and are the product of had never given the subject matter much thought, but he had the stressful situations, where little is consequence of killing, capital a tionists were emotionally commonsense. Even if most murders are committed within the ment in 1949, he declared that he family and are the product of had never given the subject matter any thought is given to the firm impression that the abolitionists were emotionally commonsense. Even if most murders are committed within the ment in 1949, he declared that he family and are the product of had never given the subject matter any thought is given to the product of had never given the subject matter any thought is given to the product of had never given the subject matter any thought is given to the product of had never given the subject matter any thought is given to the product of had never given the subject matter any thought and are the product of had never given the subject matter any thought and are the product of had never given the subject matter any thought and are the product of had never given the subject matter any thought and are the product of had never given the subject matter any thought and are the product of had never given the subject matter any thought and are the product of had never given the subject matter any thought and are the product of had never given the subject matter any thought and are the product of any thought and are the product of had never given the subject matter any thought and are the product of any thought and are the product of had never given the subject matter any thought and are the product of any thought and are the product of had never given the subjec THE BATTLE lines will be drawn appointed chairman of the Royal commonsense. Even if most murings in the language of law and out him having to face a great for the unpresent time in the Commission on capital punishders are committed within the order. Some abolitionists, on the loss of senior managers. House of Commons tomorrow ment in 1949, he declared that he family and are the product of other hand, simply assert the There is also the question of

Criminal Justice Bill.

favoured the death penalty did so unique deterrent effect. In other
The unending debate over from a gut reaction that the takhanging is often characterised as ing of a human life deserved the the exaction of death that pos-

ments are on the side of the abo-litionists.

assertion that capital punishment over retribution, Since to ment had a negligible deterrent support retributary punishment when Sir Ernest Gowers, the effect. Such an assertion, it is is unfashionable, the restorationdistinguished civil servant, was said, flies in the face of logic and lists dress up their vengeful feel-

The fact is that that is not the abolitionists' argument. To the extent that any punishment penalty must have some. But the question is whether it has a possesses no greater deterrent The central argument has effect than that of life imprison-

other hand, simply assert the impropriety of the state taking human life under any circumstances. Other abolitionists do not deny that the death penalty may be imposed during war-time. Indeed the sixth protocol to the European Convention of Human Rights, while outlawing the death penalty, does permit a state to use it in times of emer-

gency. But the overwhelming arguthe ghoulish task. At the time of mous before the court could an earlier debate in Parliament, impose the death penalty. If so, the prison governors, through almost inswitchly one of the court of the court of the prison governors. the prison governors, through their association, publicly declared themselves against the reintroduction and made it clear that many members would resign

having to find someone to per-form the task of public hangman. Hanging requires a high degree of expertise to ensure that the condemned person dies instantly, avoiding death by strangulation. Since there has been no execution for more than two decades there is no one readily available to perform this specialised task. There are other problems arising from recent changes in the ments for not restoring the death criminal justice system. Would it penalty are severely practical, be acceptable for juries to return majority verdicts in cases of capi The most compelling reason is tal murder? Or would it be necessithat hanging a man is nauseous sary, exceptionally, for the jury sary, exceptionally, for the jury almost inevitably one or two

jurors would be likely to be aboli-tionists and so could block the verdict of capital murder. The question would be particufrom the prison service rather larly pertinent in the case of terthan be forced to preside over a rorist trials in Northern Ireland. hanging. The prison service pres- Under the Diplock court system, ents enough of a problem to any trials of the worst killings are in contemporary Brits Home Secretary these days with conducted by judge alone. Would legal history museum.



death penalty? It would be anomalous for the death penalty not to exist in Northern Ireland and yet be available on the mainland.

The plain reality is that whether or not the public or parliamentarians like it, the hangman's noose has been consigne



# "IVE LEFT UMBRELLA ATAXI."

To be fair, our American guest did give us a clue.

"It's a Mercedes," he told us. No kidding. Just like the other 999 taxis cruising the streets of Jerusalem.

In such circumstances, the majority of staff in the majority of hotels might, understandably, have offered sympathy and very little else.

Fortunately for the owner of the brolly, he was staying at the Sheraton.

And although the odds of finding a needle in a haystack were slightly shorter, this didn't deter our doorman.

To him, the lost umbrella came as a personal challenge.

With the chances of finding it slim by anyone's standards, he was on the case.

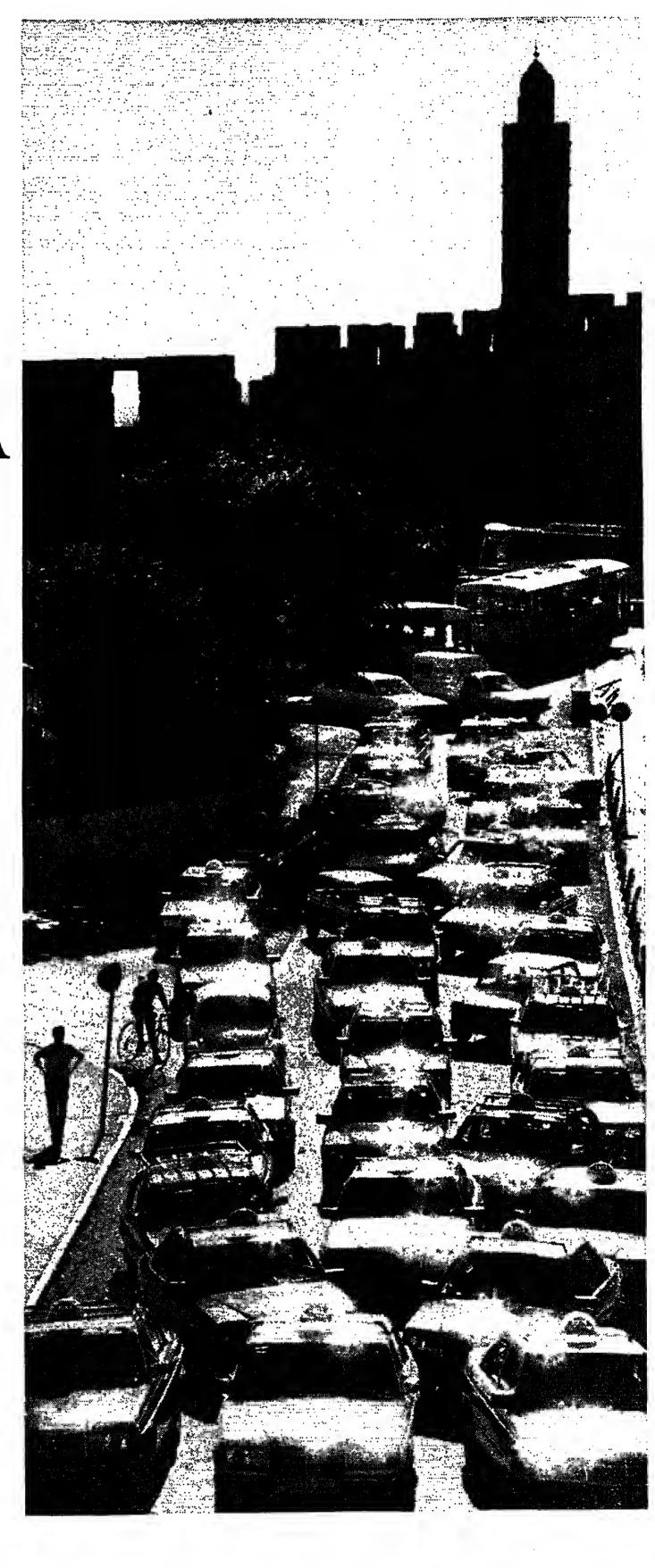
Two days later, the taxi was located and the brolly returned to its incredulous owner.

... At Sheraton, we have a training programme for all our staff which aims to impress upon them our idea of service.

We've summed it up as 'Little things mean a lot.

It would appear that the doorman from the Jerusalem Sheraton, for one, has got the message.

For reservations or information on any of 500 hotels worldwide, contact your nearest Sheraton Hotel, Reservations Office, The hospitality people of or your travel agent.





un



ZURICH

SHERATON

O



ETH II CONFERENCE CENTRE WESTMINSTER LONDON

7, 8 & 9 JULY, 1988

As part of its Centenary year, the Financial Times is pleased to announce Personal Investment 1988. An Exhibition for those seriously interested in investment, it will provide an opportunity for its readers to discuss their individual personal financial planning requirements and take part in the exciting programme of events that will contribute to this celebratory occasion.

Entry to the Exhibition costs 25 00 which includes a ticket

for you and aguest, a catalogue and the opportunity to visit the FT Centerary Photographic Display and a special show of paintings by the New English Art Club.

Those attending the Exhibition will also be able to register for any of the associated conferences, workshops and events listed below. At £10.00, the cost of each is attractively low but numbers are restricted and early booking is essential.

SATURDAY, 9 JULY

PROGRAMME OF EVENTS

			***	4.5
Thursday	7 July	٠,٠	Letter	3.4%
10.00 - 12.15	OPENING CON	FEDENCE	PAPITAL	
10:00 - 13:15	PROTECTION			
Einancial alan	ning for men and women	in tele career and	Lat reference.	•
a monator face	Sir Mark Weinbe	ret .	**************************************	28
	Chairman, Alfied Dura	ar Assurance	27.55	
	Chairmen, Alfied Dura Deputy Chairman, Sec	artion & investme	anta Board	
	Gordon Pepper		Z. 3	3 1
	Director & Senior Adv	ser, specians were	ragu -	The same
	Alan Kelly Partner, Grant Thornto	. 4.	35	
	Author, 'Financial Plan	ning for the Indivi	charl"	
	John Patterson	and to the same		150
	Director, National Savi	ngs .		407
	Michael Pilch, Cl		<b>.</b>	~
	Former Director, Noble		13040	
	Former Chairman, NA	PF	The same of the same of	Applementary.
44 00 47 45	PERSONAL FI	VANCIAL DI	ANNING A	THE THE
14704 - 11715	1988 BUDGET			- Marie Control
An exercism o	of the income and capital	changes in the m	nst recent Lawer	er Phylost and
STREET CASE AND A	n the financial and inves	ment decisions th	at follow.	et mondon en er
Tolling of the Control of the Contro	Lord Bruce-Gard	vne of Kirkdi	BID	
	Former Economic Sec	retary to the Tree	DUTY	
	David Stewart	and the second		
	Senior Tax Partner, D	elaitte Haskins +	Selis	
	John Chown			
	J F Chown & Co	Mahh		
	Hugh Blakeway Tax Partner, Deloitte I			
	Tax Parties, December	1000		
18 00 - 20 30	PERSONAL PE	NSIONS		
A mediact of it	nmediate importance to I	nen and women is	a employment as	the new
pensions regi	me takes effect in July. A	n authoritative per	nel looks at the t	alcs and
bosapie text	eds of leaving employer-	Un Scripinos.		
	Dryden Gilling-S Managing Director, El	RIQUE RS Management		
	Maurice Oldfield			
	Former President, NA	PF		
	Group Pensions Exec	utive. Allied Lyon:	3	
	Robert Ashurst			
	Partner, R Watson &			
	An Insurance Compa	ny speaker to be a	Inncunced	
40.00 40.00	INVESTING IN	GOI D		
18.00 - 19.30 Should cold	play a bigger part in the p	ortiolog of British i	investors? A dist	novished
panel will and	wer the question and dis	cuss how to proce	ed.	
	Robert Guy			
	Director, N M Rothact	Md & Sone		
	Julian Baring	- Const		
	Gold Specialist, James			
	Anthony Garrett Deputy Master & Con	notroller. The Rous	ni Alfret	

A STATE OF THE STA	
Friday, 8 July	. 8
10.00-13.15 CAPITAL	PROTECTION AND GROWTH FOR
DIRECTO	RS AND SENIOR EXECUTIVES
Personal investment strategies	for men aid women at the top of companies and with
businesses of their own.	Cecil Parkinson, MP
John Fore	dh i d
John Fors Diector, Mon	en Greniell
Barry Rise	
Investment of	ltor, Findheial Times
Tony-yem	itor, Finescal Times on-Hareburt on-Color to Top Management Remuneration
Driving G	ling-States
Managing Din	ctor, EBS Management
	The state of the s
10.00 - 13.15 WORKSH	OP FOR EXPATRIATES
A special worldhopen the rece	arements of men and something abroad
Pelar Gert	land
Peter Geri Edito, the In Peter Don	ertificate
Peter Don	ector, Abbie National (Overseas)
John Crits	ocki, recept matching (creations)
Manager, Ext.	atriate Services, Lloyds Benk
Donald Eli	dn 🔝
Director, Willing	ed T Fry (時中)
An examination of areas of inte by Sotheby's directors, chaired Fload Show.	TIVE INVESTMENTS rest to collectors including discussions of market trends by one of the principal contributors to the BBC Antiques
Lecturers: S	imon Taylor
9	hristopher Payne
9	avid Bennett
	avid Battie
18.00 - 19.30 SOTHEBY	PO WINE TACTING
This is a feedballing opportunit	to loin a futored testing of investment quality wines.
Numbers are limited and early	y to join a succed tasting of investment quality wines. application is essential.
Tutor:	David Molyneux-Berry MW
hand and by	Head of Sotheby's Wine Department Edimund Penning - Rowsell
#INDOUCHG DY	FT Wine Correspondent
And the second second	
Offered on a complimentary be panel will be chained by the FT	RS' EVENING ists to a limited number of readers, this distinguished Literary Editor.
	Tony Curtis
	Francis King
	Rachel Billington
1	
1	

Saturday	9.July	
40.00 40.00	CAPITAL PROT	ECTION AND GROWTH FOR
10.00~ 13.00	THE YOUNGER	
Designed for	men arki women planning a	n investment strategy for the longer term.
3.00	Richard Lambert	3, 10, 11, 12, 13, 14, 14, 14, 14, 14, 14, 14, 14, 14, 14
. 1	Deputy Editor, Financial	Times
The same of the sa	Devid Rattie	
· C.	Director, Sotbeby's	
<b>4</b>	John Brennan	
3	FT Property Correspond	lent:
	Hugh Llewelyn	
7. 20.	Bailey Shatkin	
A		ensions to be announced
14.00-17.15	INTRODUCTION	TOINVESTMENT
The Stock Ex	hange and its three mane	ls, unit linked investments, high street
development	and investor protection an	e among the subjects to be covered.
	John Edwards Personal Finance Editor	Counciel Times
	Mark Boléat	' Lastricia i kilde
		ng Societies Association
	Daniel O'Shea	ng Sociosos Association
	Director, M&G Investme	
	Author, Trivesting for Be	omova, en min min ment
	lan Morison	344,010
	Group Corporate Affairs	Director Midland Bank
	Colin Chapman	DECOMO, INICALIO DALIA
	Editor, Financial Adviser	
	Speaker from The Stock	
14.30-17.00	"HOW TO SPENI	J11"
	An atternoon with:	
	Lucia van der Pos	
	(with a lot of help from	
11.00-12.30 14.00-15.30	TASTING OF PIN	KCHAMPAGNE
14.00-15.30	Two tutored teatings of p	ink champagne with sparkling examples from
	leading houses.	
	Tutor: Robert Jose	ph
	Publishing Edito	r, Wine Magazine
R July	EVENING CRUIS	ETOGREENWICH AND
of Jer	SYMPHONY COL	VCFRT
	A limited ournher of ticker	to are available at 620 M cach for a heat him
	TOTA WASSING SIRE TO GO	ANWICH IN A SYMPHONIX CONCAST by the NICHS
	Symphony Orchestra wil	th <b>Anna Stolger</b> as soloist and with the
	German conductor Volle	er Wangenheim.
Prog	ramme: Wagner	Overture Rienzi
	R Strauss Dvořák	Oboe Concerto Soloist: Donovan Rhiu
	Dvorak Bizat	Song to the Moon and Rusalica Carmen: Suite and Michael's Aria
	Granados	The Lover and the Nightingale from
	Camaro.	Govesces
	Mussorgsky arr.	Ravel Pictures at an Exhibition
The	National Centre for Orchast	ral Studies has been farm unbhu minum the
une r	T SUND THE IACOR IS LUCKING	INTO ITS NEW HOME IN GREETWICH ROSS ICH
	Return transport is provide	d.

A FINANCIAL TIMES CENTENARY EVENT GROUP SPONSOR: Midland Bank plc ASSOCIATE SPONSOR: The Royal Bank of Scotland plc

TICKET APPLICATION  I/we shall attend the Personal Invector  (Please enter the number of tickets in	stment Exhibition and wish to re	2-1-2-1	ents.		SATURDAY, 9 JULY CAPITAL PROTECTION & GROWTH FOR THE YOUNGER INVESTOR INTRODUCTION TO INVESTMENT	☐ @ £10.00 = £ ☐ @ £10.00 = £
THURSDAY, 7 JULY OPENING CONFERENCE — CAPITAL PROTECTION AND GROWTH	□@ £10.00 = £	FRIDAY, 8 JULY CAPITAL PROTECTION DIRECTORS & SENIO		□@ £10.00 = £	THOW TO SPEND IT TASTING OF PINK CHAMPAGNE	2 = 00.012 @ 2 = 00.012 @
PERSONAL FINANCIAL PLANNING AFTER THE 1988 BUDGET PERSONAL PENSIONS INVESTING IN GOLD	☐@ £10.00 = £ ☐@ £10.00 = £ ☐@ £10.00 = £	WORKSHOP FOR I ALTERNATIVE INVES SOTHEBY'S WINE TA REVIEWERS' EVENIN	EXPATRIATES TIMENTS STING	☐@£10.00 = £ ☐@£10.00 = £ ☐@£10.00 = £	EVENING CRUISE AND SYMPHONY CONCERT PLUS EXHIBITION ENTRY	☐ @ £20.00 = £ ☐ @ £ 5.00 = £
	SUB TOTAL			SUB TOTAL	G	RAND TOTAL
	ALL TICKETS AND CORRESPONDENCE WILL BE S	ERIT TO THE MAIN APPLICANT			Methods of Payment	
I PRIKSONAIL &	(SLOCK CAPITALS pieces) Name		Name of Guest		PROGRAM I UNES CITIBISO	made payable to
IINVIESIUMIENII	Address		Address		Please debit my Card Number	107 E
				<del></del>	Name as it appears on credit card	
Financial Times Centenary Exhibition 175 Munster Road, London SW6 6DA Booking enquiries: 01-731 4484	Posto	ode		Postcode	SignatureExpiry  Billing address if different from above	Date
General enquiries: 01-925 2323	TelephoneOccupation		Telephone		I dutto not object to the details provided being stored on com- only. VAT Registration No. 278 5371 21	puter and used for distribution purposes (**Totales as applicable) All prices include 15% VAT.

# **FINANCIAL TIMES**



The glamour of the Riviera is only part of the picture. In the past few years, southern France has modernised

its economic base and transformed its image. This four-page survey by Paul Betts looks at a region which

now faces new challenges and opportunities

# Sunbelt at a crossroads

THE SOUTH of France seems to chemical complex in the Mediter-be following the Californian ranean served by the port of Marmodel. Long associated with the

image of sun, sea and sex, it is now starting to acquire the allure of a high-tech economic sunbelt. From Nice and the tiny princi-pality of Monaco to Marseilles and west to Montpellier and Tou-louse, new high technology enter-prises and science parks have in the area. Atlantic Richfield, been mushrooming during the large Californian-based oil last few years. With them have group, has also invested in a come a score of new service FF2.5bn new facility in the area industries which have helped diversify and broaden tha economic base of southern France.

The traditional economic secindustrial activities have long been centred, the steel and petro-chemical industries have had to tries. adapt to a changing and increasingly difficult international eco-

nomic environment. focused around Fos, near Marseilles – was never completed in
the face of the crisis which swept
the face of the crisis which swept
the European steel industry. But
Fos today remains the most
Other high tech companies Fos today remains the most Other high tech companies important oil refining and petro- have emigrated to southern

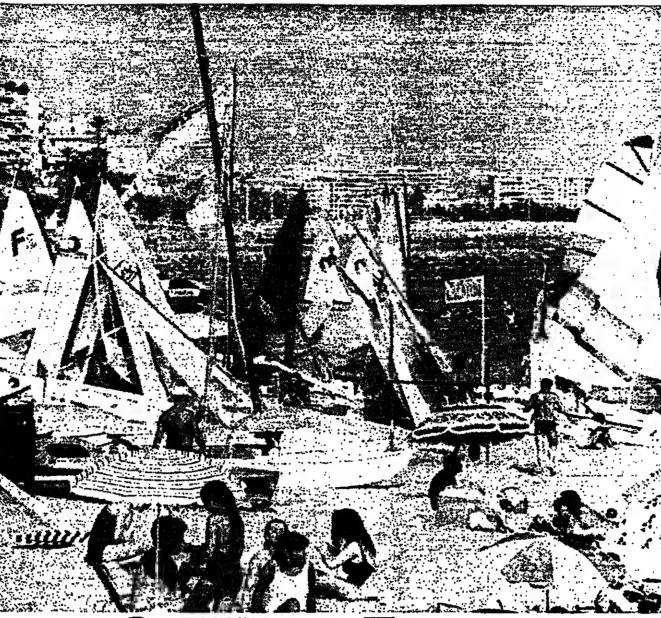
seilles, the second largest in Europe after Rotterdam.

Even though the future of two of the four big refinerles in the Marseilles basin is clouded, two major international oil groups,

Europe.

If the local textile and food protors of this large region have also cessing industries have also suf-been undergoing a profound, if at fered and the shippards of La Cio-times painful, transformation, tat are closing down, the region Around Marseilles, where the has managed to diversify its bulk of the region's traditional economy into new service and industrial sectors to offset the decline of the traditional indus-

. IBM was among the first to choose southern France for major industrial and research facilities. The French government's The American computer glant ambitious design in the 1970s - manufactures its large mainto create a major steel industry frame computers at Marseilles



# Southern France AND THE

France. The science park of of the traditional backbones of It has not been without pain as Sophia Antipolis between Nice the economy of southern France, the regular popular demonstraand Cannes has become the home of several major French and international groups. Aix-enconductor centre. Marseilles is building its own science park to capitalise on the heavy concentration of national and private research laboratories in the area. Montpellier is developing an international reputation for agri-cultural and medical research.

while Toulouse has become the

Tourism and agriculture, two

prospace capital of France.

have also been adapting and modernising themselves to the local wine growers continue changing economic circum- to illustrate in eloquent fashion.

areas, wine growers have been able anguish in the region's agri-investing to improve the quality cultural community. But it has of their wine and have made a also provided them with a chalmajor effort to develop new export markets to compensate for the decline in wina consumption in France and the pressures from Brussels to reduce production of cheap local table wines.

It has not been without pain as tions of anger and frustration of

stances. The enlargement of the Euro-in the Languedoc-Ronssillon pean Community with the entry and the Provence-Cote d'Azur of Spain has provoked considerlenge to accelerate the modernisation and transformation of this traditional and politically influ-

ential sector.

For decades, the Sonth of has developed new ski resorts in France relied on the winter seathe Alps and a thriving business

up new far away resorts to mass tourism and eaten into the tradi-

France.

But the region has invested heavily to build up a diversified and all-year tourist business. It has developed new ski resorts in ceeded in adapting its economy during the past few years, gradu-

tional tourist sector of southern

#### CONTENTS

Nice and the Riviers

The story of Perrier

Tourism Wine-growing

□ Beach at Cannes phot by Ashley Ashwood

convention sector. Major invest- ally transforming and moderniments have been deployed along sing its image, it nonetheless con-the Languedoc-Roussillon coast tinnes to face some complex as well as on the Riviera, while the major cities of the area have overcome if it is to succeed in invested in new facilities to completing its evolution in time attract the increasing number of for the single European market

structure investments to support Nice. Marseilles and to a lesser French National Front. Even investment programmes to dou-ble their capacity.

ble their capacity.

Good international air connections have undoubtedly played a fundamental role in hringing international investment and international investment in the international international investment in the internat

south of France.

Transport infrastructures have been boosted by new motorway networks and the arrival of is explained by many factors. The around five hours.

son for the hulk of its tourism.

This has now changed and the summer has become the main find itself at a new central cross-roads after 1992. "This region was glamorous image, are no longer regarded as the south of Europe. Tourism on sufficient to sustain tourism on the Biviera and elsewhere in the centre of Europe," remarked Mr crowd of some 20,000 supporters. He has now decided to run in the many decided to run in the control of the c French prime minister often He has now decided to run in the described as the best economist French legislative elections in in France, while he was cam. Marseilles to try to win a parlia-paigning in the Midi during the mentary seat as a first step recent French presidential elec-

hurdles which it will have to attract the increasing number of short-stay and business visitors deadline. The biggest and most immediate challenge is perhaps All this would not have been not an economic one, but a politi-possible without major infra- cal one.

During the past few months, the evolution of tourism and the the Midi has captured the diversification into new business and industrial sectors. Southern because it has emerged as a bastiant international airports at hlond bomhastic leader of the Nice. Moreailles and to a lease. extent, Montpellier, which have before the recent presidential all been engaged in substantial election, Mr Le Pen had won

international investment and companies to the area, attracted by the high quality of life of the some of his most impressive Midl. Several large American companies claim that their productivity has increased hy as much as 30 per cent since they established themselves in the south of France.

Transport interstructures have didates

networks and the arrival of is explained by many factors. The France's famous "train à grande large concentration of Arah vitesse" (TGV), the high speed immigrants, alongside a high protrains which link Paris with Marseilles. Montpellier, and now Nice. One day, these trains will run directly to the northern part of Europe and to the Channel among the French expatriates from Algeria, the so-called "pieds cut the journey to Paris to around five hours." who settled in the south after Algerian independence. after Algerian independence.

The region now hopes that a The crisis in traditional indushigh speed train link will eventuitrial sectors and the collapse of ally connect Milan to Barcelona the Communist Party in the through the South of France, region has furthar channelled opening up new husiness opporvotes from disgruntled and disil-tunities for the area. Indeed, lusioned electors to Mr Le Pen. tunities for the area. Indeed, fusioned electors to Mr Le Penmany local husinessman have indeed, one of the characteristics established increasing contacts of the rise of the National Front and links with Italy on one side in France in recent years has and Spain on the other in anticipetion of the prospects which the Communist Party, once a strong single Enropean market will political force in many key parts bring to their activities and to of the region. And it seems that the region in general.

hall in next year's municipal

in other parts of the south, the

#### Message Ifolii southern france

# BRAVO THE BRITISH! FOR YOU MARSEILLES HAS AN S THAT'S IT!

-In French, Marseilles spells without an S. But the British write it in the plural, and rightly so, because there are so many Marseilles!

Everyone knows Marsellies as a pleasant setting to enjoy an easygoing life, a warming sun and cool shadows, with picturesque spots and characters who might have stepped out of a novel.

And now, the scientific and economic worlds are beginning to look at Marseilles as a capital of international standing whose diversified assets are already tomorrow's.

Marseilles's Maritime base: first Mediterranean, second European harbour, open to worldwide goods

Marseilles's Industrial drive: traditional industries are leaping into the hi-tech age, its powerful petrochemical potential is expanding. its lead in aerospace activities is gaining international recognition, while state of the art activities are

Marseilles's Scientific and Technological assets

include 3 universities, some fifteen colleges, over 100 research units. Marseilles hosts leading-edge scientists and successful firms, responsible for major breakthroughs in various sectors: laser, ocean engineering, genetic engineering, information technology, "chips", biotechnology, artificial intelligence, robotics, and

Marseilles's pioneering spirit stimulates its tremendous scientific and technical potential, as shown by the emergence of biological and technological parks (Luminy and Château-Gombert).

Marseilles's Medical expertise: Marseilles keeps inventing and refining sophisticated therapies in heart surgery or for the treatment of

Marseilles's Entrepreneurial assets: Marseilles offers a wide range of sites, to help and promote new industrial or services ventures. strategically located or in fascinating

and Marseilles has everything lined up for you!

MARSEILLES: A PLACE IN THE SUN TO FORGE YOUR FUTURE



#### Industry, Science and Technology on the French Riviera

# HIGH-TECH HIGH-LIFE

- The Riviera is becoming the French heartland of industry, science and technology.
   Revenues generated by high-tech and science industry have surpassed earnings in the the tourism and convention sectors.
- In addition to the 10.000 acre Sophia Antipolis high-tech park the Fiducia Riviera offers more than 30 industrial and business sites.
- The French Riviera is second only to Paris in banking facilities with 58 banks and
- It has the highest concentration of telephones and telephones are regional France.
- Nice-Côte d'Azur is France's number two international airport: 32 airlines tink the Riviera with 81 cities in 35 countries, there are 16 flights daily in Paris and direct flights to New York. flights to New York.
- An impressive number of major international firms, plus a hub of 37.000 small and medium-sized companies, have located on the French Riviera which boasts the third rating in the country for business creation.
- The French Riviera offers a large choice of land and musiness facilities at competitive prices as well as tax benefits and premiums for start-ups.
- The University of Nice counts 1.300 professors and research workers and a student body of 20.000; students graduate also from several renownant engineers and top business schools.
- With Horizon, the future European Center for the Environment scheduled to open in 1990. Nice will become a strategic point in Southern Europe.

	A STATE OF THE PARTY OF THE PAR
	solitan with 27.5 % of the
	E DAZUR
	CLA!
	The second second
	If was would like to receive more information on the industrial
	If you would flot to receive more information on the industrial, according and unchastogical aspects of the Preach Riviers, plants complete this couples and witum in Mr Thiony Marsin, General Manager of Clim d'Azur Development
(GAND)	Mr Thiony Martin, General Manager of Clim d'Azur Divelopment
	Character
COTE D'AZUR DEVELOPMENT	y
The French Riviera Economic Development Agency	Address
10, rue de la Prefecture - B.P. 142	Access
06003 NICE Codex - FRANCE Tel.(33) 93.92.42.42 - Telex: Cadelex 470134F	
Fac: 93.80.05.76	
121.50.000.70	

South of France. From Nice to Marseilles and on to Montpellier, new technology and science parks have been mushrooming in the landscape as part of a major drive in attract and develop new high technology industries in the area linked to research centres and universities

Undoubtedly it was Nice which ioneered the technopole concept in the south. Today, the science and technology park of Sophia Antipolis, set on one of the most attractive aites on the Riviera between Nice and Cannes, has become a model of the sort.

Some 160 large corporations have settled there, including Digital Equipment, Dow Chemical, Air France and Telemecanique, among many others. They have also lured 200 or so small companies which have developed profitable niches with the big groups.

These companies are playing a major contribution in helping diversify the local economy from its traditional tourism base. But the success of Sophia Antipolis has also prompted other cities of southern France to launch tech-nopole schemes of their own. Marseilles is investing more than FFr300m to huld a technology centre at Chateau-Gombert and Montpellier is continuing to expand its own original technology park concept as an integral part of the city's future economic

The father figure of science parks in France is Mr Pierre Laffitte, the former director of the Ecole des Mines of Paris, one of for 33 years. Mr Defferre, who the most venerable French aca- died in 1986, was inspired by the demic establishments, and today
a senator with the UDF centrist
coalition. Mr Laffitte had tha
original idea of starting Sophia
Antipolis on a site not far from
At around the same time in his home town of St Paul de 1985, Montpellier and its Socialis

Vence nearly 20 years ago. mayor, Mr Georges Freche, also Mr Laffitte says he wanted to embraced the technopole concept. Mr Laffitte says he wanted to create a city of wisdom, science and learning. He chose the name integral part of the city's new Sophia not only after his first economic strategy. "Unlike Sophia Antipolis, we decided not have also because it means wisdom in Greek. He chose Anti-to build something from scratch polis since it was the Greek name on a distinct site," explains a city for Antibes, the town below the

The "technopole" concept

# High tech suits the Riviera

iting Stanford in California and using it as a way of promoting Japan. "I felt France also needed the development of the city not to have its technopoles where high technology, research and training, the academic world and training, the academic world and training the academic world an

become a major success story for as the region as a whole. This suc-

To build a technopole, a modern airport with international connections is crucial, explains one regional official. You also need a university centre, a number of high technology industries already located in the area, good

The idea for a science and tech-nology centre at Chateau-Gom-

science and technology park.
The idea of creating the technograte the technopole concept into pole came to Mr Laffitte after visthe tissue of the city as a whole.

industrial world were all present on one site," be once said.

Were all the more important.

Unlike Marseilles, the city had
missed out on the industrial revo-From the beginning Mr Lamue wanted in create not only one of intion of the last century. Unuse the most important science parks in Europe but also one with a quent development of the tourism industry in southern France.

As one of the largest urban cess is based on several factors, centres in southern France – the according to the promoters of Sophia Antipolis.

centres in southern France – the population today of the greater city area totals about 350,000 inhahitants, smaller than Toulouse but bigger than Bordeaux

- Montpellier claimed one of the
oldest and distinguished medicine faculties in Europe. To capitalise on its strong aca-

demic and research tradition, the cultural and social infrastructures and an attractive site.

"Sophia Antipolis and the Nice 
area offer all these essential components," he adds.

"The idea for a selection and test of the area by developing a 
number of "poles of excellence" 
as part of its overall technology The idea for a science and technology centre at Chateau-Gombert in Marseilles came a few sites in health and agronomy. It years ago from Mr Gaston Deferre, the city's socialist mayor lence in communications, information processing and tourism.

Montpellier today boasts a population of 50,000 students, several thousand researchers, and the highest birth rate in Europe. During the last two years, 4,500 jobs

have been created as a result of MUCH TO its chagrin, Marseilles the new technology concept with several small and medium-sized several small and medium-sized enterprises choosing to settle in the area. Major groups have also invested in Montpellier. IBM, for example, has long had a major presence with one of its most important mainframe computer manufacturing plants in Europe.

The city's integrated "techno-pole" concept has been backed up by major efforts to develop the necessary social and cultural necessary social and cultural environment and conditions to attract Montpelher's new breed of entrepreneurs and researchers. Montpellier took a lead in equipping itself on an industrial scale with a fibre optics cable network. It has launched a series of ambitions building projects including tions building projects, including the construction of an interna-tional conference centre due to open later this year, and other major architectural schemes.

Like Marsellles and Nice, Mont pellier has been developing its transport network to give the city easy international access. Its airport is being expanded and the number of international flights increased. High-speed TGV trains have reduced the rall journey to Paris to four hours 40 minutes. The city now hopes a high-speed train link will eventually link Genoa to Barcelona passing through Montpellier.

At the end of September Mont pellier will also be hosting the fourth meeting of the International Association of Science Parks. It will be an occasion for several cities and research spe-

has been capturing the world headlines in the past few months. as the stage of the major political battle pitching the extreme right National Front against not only the left but also the traditional parties of the right.

The international presa descended on the city last April when Mr Jean-Marie Le Pen, the National Front leader, attracted about 20,000 supporters to the football stadium of Marseilles. In the first round of the presidential election, Mr Le Pen scored nearly 30 per cent in Marseilles, beating the candidates of the mainstream right-wing parties.

Much ink has been spilt to

explain the Le Pen phenomenon in Marseilles. The large concen-tration of Arab immigrants in the in Marseilles. The large concentration of Arab immigrants in the city; the above-average rate of unemployment; the decline of the Communist Party which for years had channelled the protest vote of the city; the crisis in some of the area's traditional industrial sectors like ahip-repair, termination of the declaration of the city; the crisis in some of the area's traditional industrial sectors like ahip-repair, termination of the declaration of the city; the crisis in some of the area's traditional industrial sectors like ahip-repair, termination of Arab immigrants in the city; the declaration of the city; the crisis in some of the city; the crisis in the city in the city; the crisis in the city; the city in the city in the city; the city in the city; the city in the city in th

in Marseilles in recent years.

Mr Philippe Sanmarco, a now necessary to create a similar front to keep the National Front and one of the principal architects in the last few years of Marseilles economic development out of the town hall.

The political cloud hanging over Marseilles could not have come at a more delicate moment. For the city is beginning to reap the says, if Mr Le Pen ever achieved his ambition of taking over the town hall of Marseilles, mothems as well as restructure the country's second largest city. the country's second largest city the area's economic tissue.

which, with its 1.5m inhabitants.

Over the last few years, major investments have been deployed the country's second largest city which, with its 1.5m inhabitants,

**Marseilles** 

# Le Pen grabs the headlines

Ah Marseilles, that's Le Pen."

But despite his success in the presidential elections, Mr Le Pen is taking a gamble in Marseilles. "We have a chance of bursting the abscess," says Mr Sanmarco. He adds that it is urgent to do so quickly to enable the Marseilles region to musue its development.

Defferre, the late socialist mayor, ruled over Marsellies for decades to the rise of the National Front in Marselles in recent years.

Mr Philippe Carrier in Marselles in recent years.

omy of southern France. to improve and modernise the "His victory would have a city Marseilles today boasts of a several cities and research specialists to compare notes on their respective experiments and projects in what, for the South of France si least, has so far proved a promising new approach to economic diversification and growth.

"His victory would have a city, Marseilles today boasts of a disastrous impact abroad and on modern underground transport system, an international airport would probably spell the end of in full development, an extensive all that has been done these last network of rail and motorway years," be adds. "Already when I connections, and some of the travel abroad people say to me: most highly regarded hospitals in

well as private research centres.
"Of the 7,000 researchers based in this tregion," says Francois Perrin, who heads the Marseilles economic development department.

Marseilles is developing an ambitious science and technology park at Chatean Gombert in the northern part of the city which

technology sectors and new growth industries. It already has an institute of robotics, while the space industry is showing increasing interest in an area. Seve where French aerospace groups like Aerospatiale and Dassault-

Breguet are already present.
The city has made major efforts to stimulate the development of new small and mediumsized enterprises by setting up special sites known as villages d'entreprise and providing support and facilities to encourage start-ups. Marseilles has also consolidated its role as a service centre for the entire southern region.

tre at Fos, near Marsellles, in the 1970s has never been completed. But Fos and its environs remain one of Europe's most important petrochemical complexes, second only in Rotterdam. It has contin-ued to attract new companies. Atlantic Richfield has invested in a FFr2.5bn facility to produce additives for lead-free petrol. Fos, its refineries and chemical facili-

a ne

e de Paul de la rein

200 NO 11 1

Art of

gramme and the

Martin alleren

France. Its three universities accommodate a population of more than 50,000 students.

The city is the home of several replice exceeps laboratories as the population of more than 50,000 students.

The city is the home of several economic environment — replice exceeps laboratories as The city is the home of several eral economic environment — public research laboratories as total traffic declined from 98.2m

ambitious science and technology park at Chatean Gombert in the cope with the crisis in transmuter northern part of the city which industries like ship-repair and shiphuliding, as well as steel and textiles, better than the northern textiles, better than the northern industrial regions of the country tute of Technology.

At Luminy, on the other side of industrial regions of the country the city in the magnificent natural setting of the Calanques, a been more diversified. Moreover, the crisis has been more gradual, higher education and industry.

Although traditional industries itself into new sectors of activity. higher education and industry.

Although traditional industries continue to play a hig role in the economy, Marseilles has been developing an expertise for high pay off. Although there remains technology sectors and new a heavy concentration of immigrants, Marseilles has been making major efforts to integrate

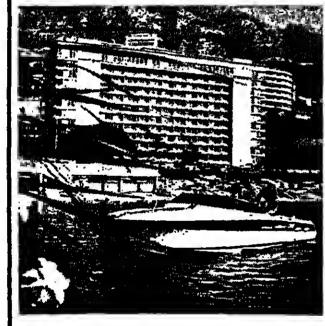
Several officials fear that the extreme attitudes of the National Front can only undermine the these attempts. They point out that, like many other important port cities, over the centuries Marseilles has seen waves of dif-ferent immigrant populations arrive, turning it into a melting pot of cultures and races.

During tha last few years, a big change has taken place in Mar-seilles. Things are moving again "Services today account for about 74 per cent of the regional industry," explains Mr Perrin.

Traditional industries which accounted for 21 per cent of industrial employment 10 years ago today account for about 16 per cent. This reflects in part the National Front has revived some

per cent. This reflects in part the National Front has revived some hard times which many of these of the old phantoms. It has sectors have undergone, but it focused national and internacan also be explained by the evo-tional attention on the city, which now faces one of the most Intion of the local economy. which now faces one of the most The ambitious project of creat-difficult political tests in its ing a major industrial steel cen-2,000-year history.

# BEACH PLAZA MONTE-CARLO



- 313 luxury air conditionned rooms of which 9 suites, each with colour television, radio, mini-bar and private balcony, conference and banqueting facilities for up to 450 persons on the top floor with panoramic views over the Mediterranean and Principality of Monaco. Leisure facilities:
- Extensive private terraces, exclusive private beach, 1 freshwater swimming pool, 2 seawater pools, cocktail bar, snackbar and Sea Club.
  - STRUCTURE AND GOLD CHAR.

    Restaurants

    "Le Gratin": traditional gourmet à la carte restaurant with in the evening planomusic.

    "Le Caté-Terrasse": pool side coffee shop, open daily from 7 a.m. till 11 p.m. for breakfast, lunch and dinner.

    "Le Bar": moming coffee, alternoon tea, lunch or dinner, apéritif and digestif in a cosy atmosphere with in the evening planomusic.

# BEACH PLAZA MONTE-CARLO

22, Avenue Princesse Grace - B.P. 137 Monte-Carlo MC 98003 Monaco Cedex Tel.: 93.30.98.80 - Telex 479.617 - Fax: 93.50.23.14



A Trusthouse Forte Hotel

Where to go and buy your Real Estate?

You'd better do it through STERLING ESTATES

18, rue Notre Dame - 06400 CANNES. Tcl: 93 39 39 00 Fax:93 68 48 99
(Between Cannes Post Office and Gray d'Albion Hotel)

#### Flavours and fragrances

# The essence of adaptability

always been part of the Proven-cal image. Lavender and roses, mimosa and jasmin have tradi-tionally permeated the atmo-sphere of the Riviera, even though they have often had in recent years an increasingly diffi-cult time competing with the smell of suntan oil or car exhausts, especially during the crowded summer season.

But they are not only a decora-tive component of the local land-scape. They have long constituted an important ingredient of the Riviera's economy and have Between them, the food fla-played a significant role in vouring and perfume industries

called the world capital of perfor about a third of this total and flower business as part of its activity is growing at a overall efforts to build up its biothis activity is growing at a overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flower business as part of its overall efforts to build up its biotraditional fragrance and flowe

FRAGRANCE AND flowers have changes and evolutions that have develop new high value added vours as well as see always been part of the Provental taken place during the past few activities, Grasse is planning a products. It was in cal image. Lavender and roses, years in the scent business. But Grasse and the French

Riviera still provide many of the essences used by the famous per-fuma makers like Dior or Yves Saint Laurent, Grasse, whose tra-ditional activities in fragrance have suffered from high labour costs and competition from large lower-cost suppliers like India, has also been increasingly mov-ing into the closely-related food flavouring busines Between them, the food fig-

prayed a significant role in France's export-orientated luxury goods industry.

For generations, the town of Grasse, in the hills behind Cannes and Antibes, has been synonymous with perfume.

Indeed, Grasse has always been vouring and perfume industries of the area employ about 2,800 people in about 30 companies, including subsidiaries of larger speciality chemicals groups, generating sales of about FFr2.5bn a year.

Food flavouring today accounts

marily for speciality chemicals Among the large groups which

have invested in Grasse is Sanofi, the pharmaceutical and perfume subsidiary of Elf. Aguitaine, the French state controlled oil group. Sanofi has also invested directly in the Riviera flower growing industry by acquiring an impor-tant stake in Barberet-Blanc, the world's leading producer of car-nations. Based in Antibes, Barberet-Blanc is also close to another famous name in the another lamous name in the flower business, Meilland, a fami-ly-owned company founded over a century ago which claims to have created one in three of the

roses sold throughout the world.

products. It was interested in Barberet-Blanc hacause tha Antibes flower grower had developed a major expertise in test tube or in vitro propagation techniques over the last few years.

Barberet-Blanc has also conducted successful experiments to create new carnation varieties resistant in a fungus called fusortum oxysporum which has destroyed entire plantations of carnations in the past.

Sanofi is just one example of the ties that large industrial groups are now increasingly forg-ing with small high technology enterprises to help boost the future development of these smaller concerns and their specific technological know-how. At the same time, the arrival of large groups in the area has pro-

you will also be able to enjoy shopping

in a Palatial Gallery offering you the

choice of more than 100 boutiques,

cafes and restaurants. This unique

Gallery has been designed to faithfully

create a Beile Epoque atmosphere of

gold and crystal chandeliers, marble floors and elegant spiral staircases

rising towards ornately decorated

Palace - we will do our utmost to make

The Metropole Palace

So why not stay at the Metropole



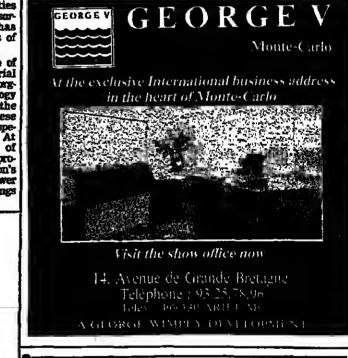


Why not make your business stay not only a success but also a pleasure?

The Iuxurious Metropole Palace Hotel, opening at the end of 1988 in the heart of Monte-Carlo is under the your business success a pleasure. management of Conrad International Hotels, a subsidiary of Hilton Hotels USA. This hotel has been completely rebuilt to provide all the amenities of a de Luxe 4 star Hotel together with conference facilities and a fully equipped business center.

Within the Metropole complex

4, streets de la Madone, B.P. 19, MC 98807 MONACO Reservation: Tel: 53.25.25.00 or 53.59.15.10 - Telez: 489 836 - Telefax: 53.25.24.44





James Capel (Channel Islands) Limited

**MONACO** 

Suite 3A, 2nd Floor, Le George V, 14 Avenue De Grande Bretagne, Monte Carlo, Monaco Tel: 93500545. Fax: 93502274. Teles:: 469302 JCMON



James Capel THE GLOBAL INVESTMENT HOUSE

AMSTERDAM AUGELAND BANGEOE CHANNEL ISLANDS
OUBLIN EDINBURGH FRANEFURT GIBRALTAR HONG EONG
HOUSTON LONGON MANILA MONACO NEW YORK PARIS SECUL
SINGAPORE SYDNEY TAIPEI TORYO TORONTO

(2)

CIV The international School of

SOPHIA ANTIPOLIS Twenty minutes from Nice airport, between the Alps and the Mediterranean. A programme geared to tomorrow's world, based on the demanding international Baccalaureate. An

ent encouraging achievement, awareness and mutual Call or write to Director Eugene Stevelberg. CIV The International School of Sophia Antipolis, 06565 Valbonne Cedex, FRANCE

Tel. (33) 93 65 33 34 Ext 446/Tix 870949

e-nous de nos differences." (Paul Valery)

Turin

#### **SOUTHERN FRANCE 3**

Perrier

Control and the state of the st

of mine

that the National altre the

dent out

)) in the

enturies

es of de ulations meture

un Mar

ar agam

it of fer.

if the old

the cay

r of the

arú some

the most

5 17 MS

1: 525

# A spring never runs dry

THE CONVENTIONAL wisdom is that the French are great wine drinkers. That was true a few years ago, but today, although any self-respecting Frenchman still has a bottle of wine on the dinner table, consumption of wine and spirits has declined dramatically.

Indeed, water has now replaced wine as the country's

replaced wine as the country's most popular drink. And the French, who guzzle litres of bottled spring water every year, have now exported their water drinking craze abroad.

Synonymous with this success of water over wine is Person where a revine at Vernege

rier, whose spring at Vergeze near the city of Nimes has been spilling out its naturally sparkling water since the days of Casear and Hamibal.

Perrier has undoubtedly done more than any other

bottled water on the interna-tional map. But the commer-cial and business success of Perrier, which has grown into one of the leading groups in the French food sector, happened by chance.
It all started exactly 40

years ago when Mr Gustave Leven, a Paris stockbroker, was looking for a buyer for the spring, then owned by British interests. On his way to the South of France, he decided to stop over and visit the spring

"I had felephoned Sam Bronfman, the Seagram chair-man, whom I knew quite well, and asked him if he was interand asked that it he was interested in the spring," Mr Leven, who is now 78, recalled in a recent interview. But the head of the Canadian drinks group

did not appear terribly keen.
Although they invented the famous club-shaped Perrier bottle at the very beginning of this century, the British owners of the famous spring never exploited Perrier's potential. Mr Leven says when he first visited the plant at Vergeze, it was a shambles. There was broken glass everywhere. Everything was done by hand. "But I immediately thought

this was a golden opportu-nify, he said.

The logic of the deal was of hiblical simplicity. "It struck

me that all you had to do was to take the water out of the ground and then sell it for more than the price of wine or oil. I decided to buy the business myself and never sell it again," he explained.

After buying the spring with four good friends in 1948, Mr Leven, who still actively runs the company, set about build-ing up Perrier into a multina-tional business. The spring, which employed 1,090 people to produce about 10m bottles a year in 1948, was already prod-ucing 150m bottles by 1952. Mr Leven launched an ambitious programme of heavy industrial investments at Vergeze, including the construction of a large modern bottling plant as well as a glass manufacturing facility to integrate completely production and introduce max-

Mr Leven wanted to control the entire manufacturing pro-cess to gain maximum cost efficiency. The results have been speciacular, Perrier today still employs only about 1,200 workers directly in its sparkling water operations but output at Vergeze has shot up to about 1.2bn bottles a year.

At the same time, Mr Leven started to turn his attention increasingly to export mar-kets, with an eye especially on the US. Despite the strong doubts of market analysts, Mr Leven was convinced that Perrier had great potential across the Atlantic. After successfully marketing his little green bottles with the slogan "the cham-pagne of table waters" in France, Perrier was launched with great snob appeal in America as France's "naturally sparkling water."

The success was enormous. Perrier today accounts for about 85 per cent of all imported water in the US. To strengthen his company's posi-tion in the US market, Mr Leven has acquired a series of American springs. In France, Percier also owns

a number of other important springs including tha still water springs of Contrexeville and Volvic. The company has also moved into the UK market, where Mr. Leven sees promising prospects, by acquiring Buxton spring in Derbyshire.

But its sparkling water spring of Vergeze in southern France remains the crown jewel of the company whose total annual sales have now reached the FFr12bu level.

Mr Leven believes the out-look remains bubbly for the mineral water business. There is never any recession in his market, he claims, adding that market, he claims, adding that even at times of economic recession demand for mineral water has continued to expand steadily: "In 40 years," he says, "we have always been short of stock at Perrier." The transformation of Nice

# Californian parallels

NICE, these days, is no longer a pany to locate a production plant classy version of Bournemouth, on the French Riviera.

The bustle of traffic, the noise of landing jets at the nearby inter. La Gaude, on the heights overnational airport and the rattle of looking Nice, for its research continued to other followed and in 1922. national airport and the rattle of seemingly permanent construction work has overwhelmed the the Sophia Antipolis science high palm-lined Promenade das Anglais, overlooking the Baie des Anges, where a car park has now replaced the deckchairs.

The provocative red domes of the Provocative red domes of the Hotel Negreen said to have a housting the maximum the maximu

the Hotel Negresco, said to have as boosting the region's new been inspired by the breasts of a image," says Mr Medecin in the famous belle-proque belle, struggle to preserve some of the city's vanishing Rdwardian nostalgia.

But Nice seems to have no more science parks in the convolutions about its transformation.

tion during the last 25 years from the natural envia well-known but fading tourist respont and a magnet for pensioners from France and abroad into a modern metropolis.

The scenes parks in the cards in the natural environment of the Riviera and its resort and a magnet for pensiontemperate climate, the international airport of Nice has played a major next in the desployment.

Mr Medecin to promote the The diversification into high region's ambitions to become tech sectors bas also been france's scientific and high tech matched by intensive office build-

high tech and scientific activities advanced on a new business cen-have now overtaken the com-bined annual turnover of the ness convention centre, new tourist and convention business totalling about FFr10bn a year.

ers from France and abroad into a modern metropolis.

In 1966, Nice had a population of the city during the last two of barely 200,000 inhabitants. The decades. Traffic at the airport, figure has since grown to 450,000, where a second terminal was and what is significant is that more than 25 per cent of its population is under the age of 25 while mated 5m passengers this year. Persioners account for about 20 Extensive international counterpart tons and a shuttle service with pational average of 13 per cent.

per cent, which is well above the national average of 13 per cent.

Under the leadership of its powerful and highly controversial mayor, Mr Jacques Medecin, Nice has become an important high tech business centre while developing and adapting its traditional tourist sector to the changing needs of consumers.

"We now see ourselves as the capital of the California of Europe," says Mr Thierry Martin, of the Côte d'Azur Development (CAD) agency set up in 1983 by Mr Medecin to promote the region's ambitions to become

The annual revenues generated Opposite the airport, for example, by the region's new industrial, construction is now well high tech and scientific activities have now overtaken the acceptance on a new business construction. hotels and cultural facilities as well as the restoration of the old The electronics and data pro-city centre have all been part of the efforts to modernise and about FFr4bn in annual revenues adapt Nice to the changing char-

cin, a former French tonrism down bere to look for a job

ANDORRA

Cahors

**Montauban** 

Toulouse

Rodez

Millau

LANGUEDOC

Nerbonne

Albi

terranean style leaves few people indifferent. He has made as many enemies as friends. His critics accuse him of being an accomplished political wheeler-dealer who has created an all-powerful political machine to keep him in charge of the city. Mr Medecin dismisses these attacks as a permanent guerrilla war by his left-wing political opponents and the Socialist press to try to undermine his position in the city.

He has no malms about speak.

He has no qualms about speaking his mind on highly controver-sial issues like immigration and drugs. "If we had not adopted a policy to prevent the concentra-tion of North African immigrants in the old city centre, the old quarter would have become by now an Arab souk like at Mar-seilles," he says. Although Nice has tradition-

ally had a large North African population, it has never had the same problems as Marseilles as a

minister and a deputy for the Gaullist RPR party at the National Assembly, has run the city with an iron fist after succeeding his own father as mayor.

Mr Medecin's extrovert Medion of the problems are drugs and other problems are drugs and

Perpighan

Le Puy

Aubenas

Golfe du Lion

NO VO

crime. Nice's geographic position, its international airport and port facilities, have turned it into a significant transit centre for the international drug trade. Mr Medecin has sought to clamp down on local crime and the drug business by intensifying security in the city. In his typically outspoken way he says that when drug dealers are caught they should be given an overdose of

their drugs in front of television cameras for all to see.

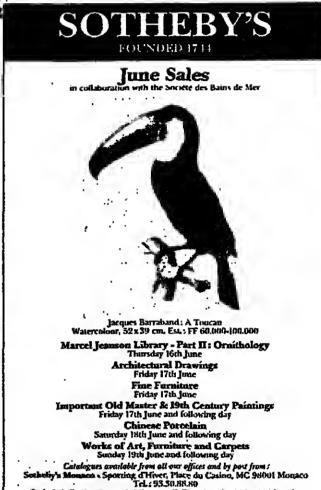
Drugs and crime as well as a highly publicised "casino war" have on occasion given Nice a: bad image in France as "a Chicago of the Mediterranean." according to one long-time resident. The casino war, which dent. The casino war, which involved a ferocious battle for control of the city's major gambling facilities worthy of a B-movie crime serial, has been grist to the mill of Mr Medecin's opponents.

But Mr Medecin shrugs off these criticisms just as be does the citic of the average right.

cessing sector now accounts for about FFr&n in annual revenues and employs about 10,000 people. Speciality chemicals represents

This process, Mr Medecin shrugs off the city's efforts to avoid concentrations of immigrant population. This process, Mr Medecin shrugs off the city's efforts to avoid concentrations of immigrant populations in any given claims, bas been relatively smoot than 5,000 people. And, of the other new activities, we became French — remember we belonged to litaly until then — we belonged to litaly until then — we are now regarded as one of France," the right wing mayor the work of the city. Despite its new business and industrial activities, unemployment remains secure. "Whether you like him or not, approve or dispirate for the city and the most dynamic regions of the city. Despite its new business and industrial activities, unemployment remains secure." Whether you like him or not, approve or dispirate for the city and the region, says with a characteristic lack of modesty. But Mr Medecin shrugs off the city's efforts to avoid concentrations of immigrant populations. In any given part of the city. Despite its new business and industrial activities, unemployment remains secure. "Whether you like him or not, approve or dispirate for the city." Despite its new business and industrial activities, unemployment remains secure. "Whether you like him or not, approve or dispirate for percent above the national average." But the figure is distorted by the fact that the city and the region suffers from an imported unemployment problem. For the past 20 years, Mr Medecin save does the rise of the extreme right not fit is new business and industrial activities, unemployment remains secure. "Whether you like him or not, approve or dispirate for the city." Despite its new business and industrial activities, unemployment remains secure. "Whether you like him or not, approve or dispirate for the city." Despite its new business and industrial activities, unemployment problems. Such the city. Despite its new bu National Front in the region. In Nice, he is still a popular political figure and his power base remains secure. "Whether you like him or not, approve or disapprove his town hall style of politics most people in this city."





Sotheby's Paris - 3, rue de Miromesnil, 75008 Paris - Tel.: 4266.40.60



BUSINESS AIDES ASSOCIATES S.A.M. Administrative and Secretarial Services

All work performed on IBM and MACINTOSH COMPUTER NETWORK

Copy, Audio and Stenotyping Telephone and Mail services Photocopying, Duplicating and Offset Transpac, Telefax and Telex Communications Translations and Interpreters (Multilingual) Mailings, Mailing lists management . . .

Victoria Palace, Bloc B, 1st Floor 13, Boulevard Princesse Charlotte Monte-Carlo - Principality of Monaco

Tel. 93 50 82 28 Telefax: 93 50 72 84 - Telex: 479631 BAA MC

#### **HOOGEWERF & CO** S.A.M.

COMPANY AND TRUST ADMINISTRATORS

MONACO, B.P. 343, 2, AVE. DE MONTE CARLO, MC 98006. TEL: 93 50 08 20 Luxembourg, B.P. 878, 2, Boulevard Royal, L-2018. TEL: (352) 27381 Geneva, B.P. 347, 9, Place du Molard, 1211 Geneva 3. TEL: (41) (22) 21 83 93

¥





British Channel Islands since 1971 and is part of Britannia Arrow Holdings PLC, which is a U.K. public company with over 25,000 shareholders.

The Group has offices in London. Jersey, Boston, Denver, Atlanta, Hong Kong and Tokyo, investment clients include pension funds, unit trusts, mutual

funds, Institutional and private clients. MIM Britannia International is one of the largest management company in

Investments that will provide both income and capital growth

· or capital growth with no income then MIM Britannia International can help you. Please complete the coupon below to receive comprehensive details of our

High regular income paid in U.S. Dollars

current investment recommendations. All engulries will be treated in the Jersey and offers the widest range of offstrictest confidence and there is no shore investment funds and services obligation.

MIM BRITANNIA INTERNATIONAL LIMITED

Office: P.O. Box 271, St. Heller, Islands. Telephonic Jersey (0534) 73114,

Vouldyou invest: regularly □ and/or tump sum 0

FTS 6 6 88(20) of Services Worldwide

AGENCE **RIVIERA VILLAS** Cap Ferrat - Villefranche

Beaulieu - Eze Specialists in quality RENTALS

MANAGEMENT and SALES Tel: 93 01 65 84 , bd. Marechal Joffre, 06310 Beaulieu/Mer

FRANCE. A.M.

#### TOOTH TRANSPORT OF LONDON

THE COTE D'AZUR SPECIALISTS SINCE 1969 SCHEDULED SERVICES ALL YEAR ROUND First Class Packing and Removals, Also part load services. Containerized storage. Express air freight.

LONDON - COTE D'AZUR - LONDON

London direct: Tel: 01-574 1199 French representation: Tel: 93 33 75 53 FAX nos.: 01-574 1405 and 93 95 22 00



Monte Carlo's reputation as one of the world's most elegan and celebrated resorts goes back over two centuries. Today the lociété des Bains de Mer invites you to sep into its very exclusive

realm. The Monte Carlo Golf Club, for xample, and its international 18-hole bght in these exceptional and exhibitating

IN MONTE CARLO. COURSE. ACCRETORS and pross ablie will de-OF THE GAME.

ndings directly overlooking the sea. At the Monte Carlo Country Chib, tennis endusiases can play to their heart's content on one of the Club's 23 superboday courts. And by night, all the magical armosphete of Monte Carlo awaits you. Its legendary CASINO is unique: history and art together have forged as rich traditions. Monte Carlo is a perpenual gala : the Opera, the Casino, the Sporting Club, shows, cabarets, Jimmy'a... the opportunities for entertainment and relaxation are endless. And Morse Carlo is a supremely gified host. The elegant hospitality of the Hôtel de Paris and the Hôtel Hennitage are perfect examples of the art. The Société des Bains de Mer will receive you as a privileged guest by

offering you, on arrival, the Gold Card, your indispensable passport to the most pressigious and elegant establishments

PLAY THE WINNING CARD.

Oirection des Veutes. Societe des Bains de Met. Place du Casino. Monte Carlo, Tel. : 93.50.80 80. Telex : 469227 ur SBM New-York. Toll free number 500 221 47 08. Tel. ; (212) 668 98 90. Telex : 661 446 SBM London Tel. 01-839 4581. Telex 939 016 SBM LON.

#### **SOUTHERN FRANCE 4**

Tourism, the region's backbone, is adapting to changing tastes

# Getting away from the coast

EVER SINCE the British and become even more acute with the and Orange, to name but a few, restoring them to their former then the Russian aristocracy disdevelopment of low cost air which can also serve as bases to splendour while incorporating all the South of France has enjoyed a reputation as one of the world's leading tourist spots. "It is undoubtedly a star and like all stars it has its qualities and its patitive environment and the faults," remarks Mr Dominique Charpentier, head of the regional tourist bureau in Nice, sitting in his office overlooking the Prome- adapt its tourist sector which

"The British became a dominant power down here during the last century," ha adds. Lord Brougham launched Cannes in 1834 and the British colony in Nice 10 years later inspired the construction of the famous Promenade des Anglais.

Mer (SBM) and its rococo casino to launch Monte Carlo as a fashionable and leading gambling resort. But the South of France with its blue sea and its picturesque villages in the hills of Provence was also discovered by the great Impressionist painters at around the same time and has

first a winter resort. Its moderate climate attracted a cosmopolitan ing the winter months, and it was only after the Second World War that summer replaced win-

ter as the big season

development of new resorts in more in inland areas."

Snain and Italy, not to mention This trend has also encouraged Spain and Italy, not to mention

This trend has also encouraged many more foreign tourists to South of France has started to visit several remarkable towns of

foreign corporations.

**Expanding in Monaco** 

Monaco provides interesting opportunities for foreign

companies and individuals but expert help can ease the problems of entering or expanding into a new market place.

Operating in a new business environment with different laws, currencies, cultures and, perhaps, language adds new

dimensions to business activity.

Arthur Young's Monaco office opened in 1979 and, as part of a network of more than 370 offices worldwide, can help you with this process of change through services which

Search for acquisition targets and investigation of prospective investments,

Corporate tax planning, establishment of companie

Somodeco S.A.M. (HSD Group)

Well of the United States

Auditors, tax advisors

MONTE CARLO

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

13, Bd Princesse Charlotte, MC 98000 Monaco Telephone (33) 93.25 00.52 Telefax (33) 93.25.58.92

Arthur Young International

EEC requirements, including VAT and customs duties,
Expatriate personal tax planning.
Residency and work permit applications for foreign

petitive environment and the changing tastes and habits of consumers, the South of France has successfully managed to the regional economy.

Toorism generates about FFrlibn in annual revenues in the Provence-Cote d'Azur area. It has continued to grow in economic importance not only in the enade des Anglais.

Twenty years later, it was the turn of the Societe des Bains de Mer (SBM) and its recon casino. coast of Languedoc-Roussillon to

The region has also made a big effort to diversify tourism hy developing winter sports in the Alpes Maritimes where there are now 17 winter sports resorts including three internationally around the same time and has known ones, Isola 2000, Valberg nitinued to inspire artists from and Auron. In the hinterland, the world over.

The South of France was at tourism has also been developed with an increasing number of farm houses or gites available for mix of visitors and residents dur-holiday rentals and additional hotels in the countryside and mountains of southern France.

This inland development is "The Americans brought with facilities like golf courses and em the cult of sun and sea," horse-riding schools for a rising number of holiday makers anxious Mr Charpentier. "And the them the cult of sun and sea," horse-riding schools for a rising says Mr Charpentier. "And the French, who now also had annual pald holidays, started flocking to the south in the sum-saturation point," acknowledges flocking to the south in the summer months."

But in the face of the growth of international tourism and the international tourism and the international tourism and the future by investing more and the future by investing more and the international tourism and the future by investing more and the

sonthern France like Avignon, tion. This competition has Arles, Nimes, Carcassone, Aix

discover the countryside of areas mass tourism distant sand and which have never had the same exposure as the coast.

To boost their tourist business. these towns, like the resorts on the coast, organise annual cul-tural and artistic festivals such as the theatre festival of Avignon and the music festival of Aix,

is directly and indirectly responsible for about one-third of total employment. But even the thriving tourist business of the coast with its new marinas, its large concentration of hotels and restaurants, its sports and leisure facilities, has been forced to

and foreign visitors spread their holidays throughout the year.

At the same time, the region has expanded soccessfully in attracting busine Nice, Cannes and Monaco all have modern facilities and have managed to attract a growing number of business visitors who today account, if one also includes special international events like the Cannes Film Festival or the Monte Carlo televifestival, for about 18-20 per cent of overall tourist revenues. As part of the efforts to cater

for a growing number of business omy, such as convisitors, an increasing number of erty and banking. new three-star and four-star "It is essential" hotels have opened on the coast and in the main towns and cities of the South of France. But sub-people dream at the same time as stantial investments have also been made to refurbish the traditional luxury hotels of the Rivi- without necessarily spending a era from Monte Carlo to Cannes,

THE MIDI, as the South is known

in France, has always been a pro-lific wine producer. Wine has for

of the culture, politics, history and economy of a region where a

great many people still own a few acres of vines and devote their weekends to tender their grapes.

But wine has also given the

erations been an integral part

Monaco

# **New image for** a city state

Maugham described Monte Carlo as a sunny place for shady peo-ple. But that was long ago and things have moved on since then Prince Rainier told me last year that ha would like to be remembered one day as the man who corrected the bad image and legends of his tiny sovereign state. For generations, the pic-ture postcard principality has been regarded as a tax haven and gambling paradise with its famous casino and luxury hotels

attracting grand dukes and Greek

shipping tycoons.
But this impression has now speeds because of the difficulty of adapting the railway track along changed, even though the princi-pality of Monaco continues to attract world headlines as a result of the irresistible combina-tion of its fairy tale setting, the Hollywood glamour of the late Princess Grace and her daughters, its famous grand prix and car rally and its jet set image. During the 39 years he has run Monaco, Prince Rainier has suc-cessfully transformed and mod-

ernised the principality from a fading gamhling resort into a diversified and thriving business and tourist enterprise. He has turned the principality with its 28,000 inhabitants into an affluent city state, which not only continues to remain a shelter for wealthy foreign tax exiles hnt has also become the home for a growing number of small industries and service business

well as a large banking sector.
The old myths have been tumbling down as the economy of the principality, once based practi-cally solely on tourism and gambling, has expanded and diversified into new sectors. Gambling today accounts for barely 4 per cent of the principalepoque heydays at the end of the last century it accounted for as

much as 95 per cent of try's annual receipts.

During a recent visit, two crou-piers were lamenting that even the wealthy Arabs had now des-has also enabled the principa erted the green tables and that all the big business was in Las Vegas-style slot machines. These days, the biggest contribution to the FFr2bn annual state budget

France in the past, its favourable fiscal climate has undoubtedly contributed to the success of its

economic development.

After a major clash with the French anthorities in 1962, a tax convention was signed between France and Monaco. Under the agreement, all French nationals residing in the principality after 1957 had to pay French income taxes. But the row of the early 1960s with France is now long huried and relations today between the two countries could

The tax convention preserved the tax advantages for Monegas-que nationals and foreign non-French residents since they con-tinued to henafit from the absence of income tax as well as other taxes like capital gains and corporate tax if not more than 25 per cent of a company's turnove

Although the principality levies indirect taxes and a 35 pe cent corporate tax on companie whose turnover outside the prin cipality exceeds 25 per cent of its total sales, it remains, in the words of a local businessman, "a tax-efficient centre.

This fiscal system has not only continued to attract wealthy foreign residents, who in turn have

and their own government. Bu

they have become increasingly alarmed by the EC's efforts to

reform its costly wine regime and curb production.

The traditionally militant wine-growers of the Midi were

again up in arms a few weeks ago

Brussels to introduce a more

Although prospects remain

improve quality and marketing

recent years," he added. Since the growers organised

Between 20 and 25 wine-growing

to transform itself quietly and discreetly into a leading offshore

the FFr2bn annual state budget comes from valna-added tax receipts which account for as much as 55 per cent of revenues. Co-based entities to manage and administer offshore companies. Since then, other industrial, comtax haven image, the source of great irritation on the part of great up management bases.

Banking and financial services have also been growing steadily in the principality. There are now more than 30 different banking institutions in Monaco includir virtually all the hig international names in investment and commercial banking

Monaco has traditionally been major centre for foreign depos-

sustained property prices, but its. By comparison, lending activ-has also enabled the principality ity has been limited and the principality has not so far developed into a significant offshore bank into a signineant outshore bank-ing centre, as the Monegasque authorities would wish. The deci-sion rests with France, since Monaco comes under the jurisdic-tion of the Banque de France and its fracing archange controls. its foreign exchange controls.

The principality has put a lot of work into huilding up special attractions like the international tennis and golf tournaments as well as the traditional car races. Cultural events and festivals have also helped sustain tourism even though the decline of the dollar and the fall in the number of big-spending American tour-ists have had an adverse impact. Nevertheless, Monaco, with its international image and its more rounded economy, has proved more resilient than most to the dollar's slump.

#### Have your F.T. hand delivered in France

If you work in the business centres of ANTIBÉS, BORDEAUX, CANNES, GRENOBLE, LYON, MONACO, NICE. PARIS (all arrondissements) plus 92000 postal code, STRASBOURG, TOULOUSE or MARSEILLE - gain the edge over your competitors. Have the Financial Times hand delivered to your office at no extra charge and you will be fully briefed and alert to all the issues that affect your market and your business.





When you take out your first sub-scription to the F.T., we'll send you 12 issues free. Subscribe now and claim your free FT Centenary Gift.

Paris (01) 42 97 06 23

**FINANCIAL TIMES** 



48 boulevard Victor-Hugo 06000 NICE - FRANCE Tel. 93.87.62.56

Telex 470 410 F

3-STAR CHARMING HOTEL

7 6

privileged location in the heart of town, quiet, in residential area, 200 metres from the Sea.

 50 SOUND-PROOF period rooms, complete bathrooms, hair-drier, radio, musical wake-up service, muibar, direct-dial extendenc, balcony-terraco COLOUR TY VIA SATELLITE AND CANAL + (USA, UK, GERMANY,

ITALY) OUALITY RESTAURANT, private

\* SOLARIUM on 6th floor

SPECIAL PRICES for LONG STAYS and Low SEASON upon request

#### FRENCH RIVIERA Holiday, Residential and investment Properties

CANNES - GRASSE - ST PAUL - NICE - CAP D'ANTIBES

Britiah Management Sterling Loans
Contact: Michael Morris,
GEPI INTERNATIONAL

15 Boulevard Albert Ier, 06600 Antibes, France. Tel. 010.33.93.34.05.76 Fax. 010.33.93.34.14.23 Th: 462521F GEPI

#### =INSTITUT DE FRANÇAIS==

The highest quality teaching A high-level international student body A cordial, hard-working atmosphere Excellent French food A breathtaking setting on the Riviera

 A truly caring staff Daily 2.30-17.00 with 2 meals For adults, 2 levels: Beginners I to advanced II

Next 2, 3 or 4-week counts starts June 27, Aug.1 and all year, INSTITUT DE FRANCAIS - FT P6

#### **CHRISTIE'S**

AT THE BEACH PLAZA HOTEL, MONTE-CARLO

15-19-20 JUNE 1988 20TH CENTURY DECORATIVE ARTS FURNITURE AND WORKS OF ART OLD MASTER PICTURES CHINESE EXPORT PORCELAIN Christies's, Park Palace, MC98000 Moote-Carlo Tel 93 25 19 33 - Fax 93 50 38 64 - Tix 489287

which are heginning to gain international recognition.

The importance of tourism is underlined by the fact that on the Côte d'Azur alone the sector

adapt to changing circumstances.

Gone are the days when people used to come to spend long sum-mer holidays in one place. The trend is increasingly moving towards shorter - but more frequent - stays as both French

the area. The international airport of Nice has played a particularly significant role in supporting tourist husiness as well as attracting foreign investment. But the airports of Marseilles and Montpellier have also made a major contribution. Other factors include the extension of the motorway net-work and the high speed TGV train service between Paris and Marseilles, which now also runs to Nice although not at top

Transport infrastructures have played a major part in the devel-opment of the business conven-

tion activity as in that of the mainstream tourist business of

The Riviera, like other major European tourist centres, has been hit during the past two years by the decline in the num-ber of US visitors due to the fall in the value of the dollar as well as the terrorist events of 1986 which put off a large number of Americans from travelling to the Mediterranean.

However, the Americans started to come back last year, although the further slump in the dollar exchange rate around last Christmas is widely expected to have a dampening effect again on But the regional authorities hope to sustain the developm

of this sector, which has signifi-cant ramifications in several other key areas of the local economy, such as construction, prop-"It le essential that we keep

making them aware that they can have a millionaire's holiday

Wine-growing

# Nice rosé turns more aggressive



NEWSTARD

During a visit to an ultra-mouern winery built by the co-operative of Val d'Orbieu, near Narbonne, Mr Barre applauded the
bonne, Mr Barre applauded the
co-operative to

Moraover, three out of five

an office in Dallas, Texas, to under 35. In the circumstances, it boost its sales drive in the US. boost its sales drive in the US.

Other producers are also making a big effort to improve the to organise and regroup itself quality and image of the local wine industry. But despite some progress, this remains an nphill struggle. The nature of wine production in southern France has made it difficult to restricture.

The wine-growers of the Midi, who have always had an improvement of the midi, who have always had an improvement.

could turn out to be not only a threat but also an opportunity and challenge for the rural regions of southern France to improve their wine producing ister, suggested while he was and marketing methods. At least that is what Mr Raymond Barre, dential elections a few months ago in the Languedoc-Roussillon.

Cteaning a wine stury out near Perpignan

A very large proportion of increasingly good quality wines. And there is no reason why we full-time wine producers. A cannot try to market our wines recent study showed that of the ago in the Languedoc-Roussillon.

Languedoc and the Provence-

is not difficult to see why local wine production has such trouble

and modernise the sector to who have always had an important and more cohesive marketing policy to compete efficiently in international markets.

themselves more coherently and efficiently, wine exports from the Var have doubled. Perhaps even improve its marketing and production techniques. Indeed, the duction techniques ladeed, the more and only one out of 16 is the circumstances, it more significantly, this particular area has attracted increasing interest from foreign investors.

estates have been acquired recently by a wide range of foreign investors from West Germany, Belgium, Denmark, Sweden, the US and Japan.

"In most cases, they have hought properties involving about 30-40 hectares. It has been a recent and encouraging the

#### a recent and encouraging phenomenon since it should greatly help improve our international image and visibility," according

## to a regional banker based at Aix-en-Provence. Sunbelt at a crossroads

traditional parties of the right to create a democratic front to have had to make local political prevent Mr Le Pen from gaining southern France will have to contain alliances with the National Front further ground in the south. to retain power. And these associations have inevitably helped the extreme right-wing party to gain neur who has huilt up a business a measure of respectability and empire by taking over and turn-

guised concern over the implica-tions of the National Front assuming a major role in the political management of many key centres of the Midi.

Party hopes to capitalise on Fran- the centre.

a measure of respectability and credibility in the area.

The rise of the National Front in the south has posed a new headache for the region. Many local and foreign businessmen interviewed expressed undiscipled to reason the region of the region. Many local and foreign businessmen interviewed expressed undiscipled to reason the region has already successfully started to adapt and transform its economy to changing circumstances. The first fruits of its economic diversification policy and urban structures are

cois Mitterrand's landslide vic-whatever the outcome of this on this tory in the presidential election month's legislative election and France.

and the control of the first term of the control of

tinue addressing, in months to come, its local political problems, which reflect the complex reallties and social and economic dif-

the political contest to counter nomic and urban structures are the local ambitions of the beginning to produce results. It named the Socialist Party's efforts new complicated and clouded and the Socialist Party's efforts new complicated and clouded and clou For this reason, the Socialist to extend their electoral base to political climate which has placed the international spotlight on this large and varied region of

# -PALACE---L'adresse!

 $3 \cdot 5 \cdot 7$ , boulevard des moulins Top luxury flats, offices, boutiques.

Sales at all approved agencies in Monaco Sales office on site. Tel. 93.50.40.20

SCI RESIDENCE

#### Fitting-out **Financial** Times office

TROLLOPE & COLLS companies part of Trafalgar House, have won two contracts together worth nearly £17m. The larger, worth £15m, is for fitting-out a new office block in Southwark for the Financial Times. The seven floors will provide 154,000 sq ft accommodation for editorial advertisement staff, and adminis-tration. Completion is scheduled traion. Completion is scheduled WALTER LAWRENCE CONfor March 1989. Work has started on refurbishment and extension costing £1.7m at the Hard Rock Cafe, Hyde Park Corner, London. The restaurant will remain open for the 40-week contract period. Seating in the basement will be expanded to increase total capac.

The restaurant will be expanded to increase total capac. The restaurant of the Liment of the Lim Seating in the basement will be expanded to increase total capacity by 75 per cent.

the true of the control of the contr

ES,

Œ,

\$1.3

or

our

and

∄ĐÚ

ucs

ub-

and

The FT

4433

977137

1540

S===

· (Elil)

•

A.E.SYMES, part of the Wilmott Dixon group, has been awarded a contract worth in the region of £1.3m by Wheatsheaf Invest-ments for the construction of a six-storey block of flats on piled tracts worth \$12m. The company and a converted water tower valfoundations at Bourdon Street.

KIER SOUTHERN has been awarded a £4.2m contract for the construction of a 70,000 sq ft superstore with three smaller shop units in Cricklewood Broadway, London W2, for Charterhall Properties. The contract also entails a car park with 713 spaces and extensive landscaping. Work began in May with completion due in 48 weeks.

RUSH & TOMPKINS has been awarded a £2.85m management contract for the first phase of the Cardiff Business Park (Parc Ty Glas) at Lianishen, four miles north of the City Centre, Work starts on site this month and is due for completion in March 1989.

Joint developers are Rush & Tompkins and Cardiff-based Campaign Properties. They envis-age completing the 25,500 sq metre project within a two-year signs, safety fencing and street lighting at junctions. Work is due programme, at a cost of £13.5m. Offices, warehousing and nursery units will be available from 180 to start in early June with com-pletion in March 1990. so metres opwards.

#### CONSTRUCTION CONTRACTS

#### Light technology cuts heating costs

KAISER RAUTECHNIK has been porating "Light Technology," awarded a £6m contract by claimed to almost eliminate

Strathclyde University to con-struct university buildings in the the EEC and the SDA are backcentre of Glasgow. The complex ing the project with grants to the maintenance costs and maximum is believed to be the world's first university. The 5-acre site, comfort levels. The first build-domestic and commercial develounded by Rottenrow, High ings are due to be completed in opment to be constructed incor
Street and George Street, will September 1989.

comprise student residences housing 400 students. The com-pany says the student residences will be one of the highest quality in the UK, with the lowest in-use

#### **Shopping precinct on Merseyside**

The precinct, in Eccleston Street, Prescot, is valued at about 27.7m. Work on the project, for Shearwa-ter Property Holdings, is sched-

side is included in contracts end of next year. Other contracts The contract housing division worth more than £13m awarded include a leisure pool at Parkway to TARMAC CONSTRUCTION. Hotel, Leeds, for Embassy Hotels
The precinct, in Ecclesion Street, (£1.1m); altering a workshop into

Bristol (£582,000), Nealo Interiors, (EL.Im): altering a workshop into a garage at Plymouth, for British Gas (£389,000); and alterations to a factory at Bellshill, Glasgow,

A shopping precinct on Mersey- uled for completion towards the for Levi Strauss (UK) (£365,000).

#### Lawrence wins refurbishment work

WALTER LAWRENCE CON- Lambs Conduit Street for Circle 53-54 Doughty Street. A 22m resi 22m refurbishment of the Lime-house Library for Tower Hamlets

hospital and structural alter-ations and refurbishment, on and a flats and retail scheme in behalf of Sibec Developments at in Wokingham.

station remodelling is for Change

#### Four-storey office block at Solihull

HENRY BOOT has received contion of 60 homes in four blocks, is to construct a four-storey office ued at about £3.8m, has also been block in Homer Road, Solihull, awarded. The 105-week project is for National Homeloans. With a being undertaken on the Royal contract value of just under £8m. Free Hospital site in Liverpool the building will be built around Road, London NI, forthe New contract value of just under £8m, the building will be built around a central atrium linked to a three-storey office block. Work will he completed in October

£8m roadworks

KIER EAST ANGLIA has been

awarded an £8m contract for the construction of the Al30 Chelmer

agricultural underpass, together with the installation of traffic

at Chelmsford

IN BRIEF....

Islington & Hackney Housing Association. Henry Boot is about to start on alterations to the 1989. A contract for the construc- emergency escape routes at the

Lucas Court block of flats on Doddington Estate in Wand-sworth, London SWIL Alterations include the conversion of 20 top-floor maisonettes to bedsits and flats, and refurbishment includes the replacement of heating, bot and cold water, and electrical services. The £750,000 contract will be completed by February 1989. The client is the London Borough

MATTHEW HALL MECHANICAL & KLECTRICAL ENGINEERS has been awarded contracts by the Property Services Agency for the resident operation and mainte-nance of building engineering services in two RAF establishments. The contracts, each of which is of three years duration, cover the day-to-day manage-Valley Road (North) by Essex cover the day-to-day manage-County Council. The site is 5.5 ment, operation and maintenance km north of Chelmsford and of the air-conditioning, heating work involves construction of and electrical services at RAF road, two reinforced concrete bridges and a reinforced concrete agricultural underpass.

STRUCTION has won seven contracts totalling more than £5m. These include: sheltered accommodation consisting of 60 flats, two warden's houses and com-

**Company Notices** 

moo areas in Basildon, Essex for Basildon District Council, \$2.5m; remodelling part of a tip, the extension of an access road and drainage system for British Nuclear Fuels at Sellafield, Cum-bria, £500,000; a single-storey chimpanzee house providing a public viewing gallery and indoor yard for the North of England Zoological Society in Chester £250,000. Whatlings Construction, part of Alfred McAlpine Construction, has won two contracts totalling £1.5m. They are: a fac-tory extension for Wiggins Teape

(UK) at Corpach, Fort William, £1m; and the design and con-

struction of offices and a yard at Port Dundas industrial Estate,

Clasgow, for G.K.N. Kwikform

#### **Contracts & Tenders**

#### SUPPLY OF SIGNALLING SYSTEM FOR THE FIXED LINK BETWEEN FRANCE AND THE UNITED KINGDOM

Transfink Joint Venture or/and GIE Transmanche Construction, Contractor for construction and equipment of the Channel Tunnel project invite applications for pre-qualification for Signalling System.

Scope to include:

Design, supply installation and commissioning of railway signalling system to a standard acceptable to SNCF and BR to comprise, cab-signal ATP system easily extendable for ATO, train detection system and an interlocking subsystem. System to be proven ased on the latest technology and facilitate minimum modification to satisfy specific project requirements.

Applications from interested companies should be made by 20th June 1988 to:

The Contracts Manager

Translink Joint Venture or/and GIE Transmanche Construction Surrey House Throwley Way Serrey SM1 4WA ENGLAND

TELEX NO. 927388 TMLINK G

#### **Company Notices**



#### **New Zealand**

US\$250,000,000 Floating Rate Notes due 1996

in accordance with the Terms and Conditions of the Notes, notice is hereby given that for the interest period from June 6, 1988 to December 6, 1988 the Notes will carry an interest rate of 71/1% p.a.

The interest payable on the relevant interest payment date, December 6, 1988 against coupon nº 5 will be US\$400.31 per Note of US\$10,000 nominal and US\$4,003.13 per Note of US\$100,000 nominal. The Reference Agent



KREDIETBANK S.A. LLXI MBOURGUOISE

Clubs

Eve has outlived the others because of a policy on fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamor-

01-734 0557.

RICHARD GRITTIN, 4 New Bond Street, WI 483 3639 MCDERN BRITISH PAINTINGS Mon-Fri 10-6, Sets 10-12-30

**Art Galleries** 

American International Group, Inc

Announces the launch, through a European subsidiary

> MERICAN LIFE Gibraltar

and **EURINVEST** 

FINANCE (GIBRALTAR) LTD

#### bank leumi (uk) plc

Base Rate

Bank Leumi (UK) plc would like to announce that with effect from Friday 3rd June 1988 its base rate for lending is increased from 7½ per cent per annum to 8 per cent per annum.

bank leumi בנק לאומי 餓



#### **CORRECTION NOTICE**

Continental Airlines, Inc. US\$38,500,000

Floating Bate Notes due 1996

Notice is hereby given that the rate of interest on the above Notes for the period 2nd June, 1988 to 1st September, 1988 has been fixed at 9 5625% per annum, payable The amount payable against Coupon No. 8 will be \$23.91 per \$1,000 Note.

J. Henry Schroder Wagg & Co. Limited
Reference Agent

#### Rentals

TEL: 01-727 7227

Anscombe &Ringland

#### **Sturgis EXCELLENT**

Furnished and Unfurnished properties available for Long Company Lets. Ring Jilly Anderson 01-244 7441

94 Old Brompton Road London SW7 RENTALS Plaza Estates

remety pretty. Rata & bright 6th Boor in gd dec order throughout. Dbie bed, recep. FF Kr. bale, ggs. lift & porter £225,00 p.w. 01-724 3100

fir flat overlooking river. 3 beds, bath, stop, kit with mache, gge avail. 1285,00 p.w., loci ciylew 01-981 7646

#### KENWOODS RENTAL

QUALITY FURNISHED FLATS AND HOUSES Short and Long Lets 23 Spring St., London W2 LIA Tel: 01-402 2271 Telex: 25271 Fax: (01) 262 3750

RIVERSIDE RESIDENTIAL LIMITED

Large selection of new flats and houses from £110.00 per week throughout the Dockhads area. Long and short lets #1-790-1969

RENT YOUR HOME

Cult Flore nate of SALPHDERS of KENSINGTON, 91 SEI MEL

NOTICE To holders of Warrants to Beare

NOTICE IS HEREBY GIVEN THAT & AND

The RTZ Con

alon Benk of Switzerland

Société Concessionnaire des Autoroutes de la Côte Basque **ACOBA** 

7% 1978/1993 UA 16,000,000

On May 24, 1988, Bonds for the amount of UA 1,640,000 have been drawn in the presence of a Notary Public for redemption on July 10, 1988.

The following Bonds will be redeemable coupon due July 10, 1989 and following attached: 7200 to 8839 Incl. Amount outstanding: UA 10,160,000

Outstanding drawn Bonos:

5604 to 5609 incl. 5631 and 5632 5771
5892 to 5894 incl. 5989 and 5990 9610 to 9612 incl.
9623 to 9629 incl. 9643 to 9660 incl. 9956 to 9963 incl.
10005 to 10015 incl. 10088 to 100797 incl. 10054 to 10359 incl.
10473 10505 to 10510 incl. 10606 to 10608 incl.
10473 10505 to 10510 incl. 10606 to 10608 incl.
10726 and 10727 10932 to 10944 incl. 10971 and 10972 Outstanding drawn Bonds: 10726 and 10727 11064 to 11069 incl.

Luxembourg, June 6, 1988

The Fiscal Agent KREDIETBANK S.A. LUXEMBOURGEOISE

QUEBEC CENTRAL RAILWAY COMPANY CAPITAL STOCK

> DR KEAST ide, 105 Victoria Street

**Legal Notices** 

alled Lambert S.A.

No. THE COMPANIES ALT THE

Personal

NATIONAL TRUST Caring deprived children. Inner City and Rural. Seeks volunteer: clop efficient manager appeals, sponsorship, community ervice. Monthly meetings London Work from home. Vrice to Box FEZZI Florecki Times, 10 Commo Street, Lundon, ECAP 4EY

Art Galleries

POSSE, 13 Old Bond Street, 01-528 3538, GAINS-BOROUGH, Two masked masterphoces, "Abel and "Clarges" Tues. 7th Jaco entil Hed 22nd, June only. 9.30 so 5.30.

ALUMINIUM The Financial Times proposes to

publish this survey on: 26th October 1988

For a full editorial synopsis and fvertisement details, please contact: Anthony G. Hayes on 021-454-0922

or write to HIM at:

Financial Times George Houset George Road Birmingham BIS 1PG

**FINANCIAL TIMES** 



TAP Air Portugal became the first airline to communications on a transationtic flight on board its Lockeed L-1011,

"Bartolomeu de Gusmão"

advance being developped

stations all over the world

It is a technological

by the European Space

Agency to put ground

in touch with long-haul

**Future** Technology is Our Ancestral Art — foreseeing the times to come. It is the sort of ingenuity Portuguese

flights via telex — an experience typical of TAP Air Portugal's vision of the future.

And thinking traditionally, it is typical of our

eagerness to explore new advances in technology and performance in keeping with the times

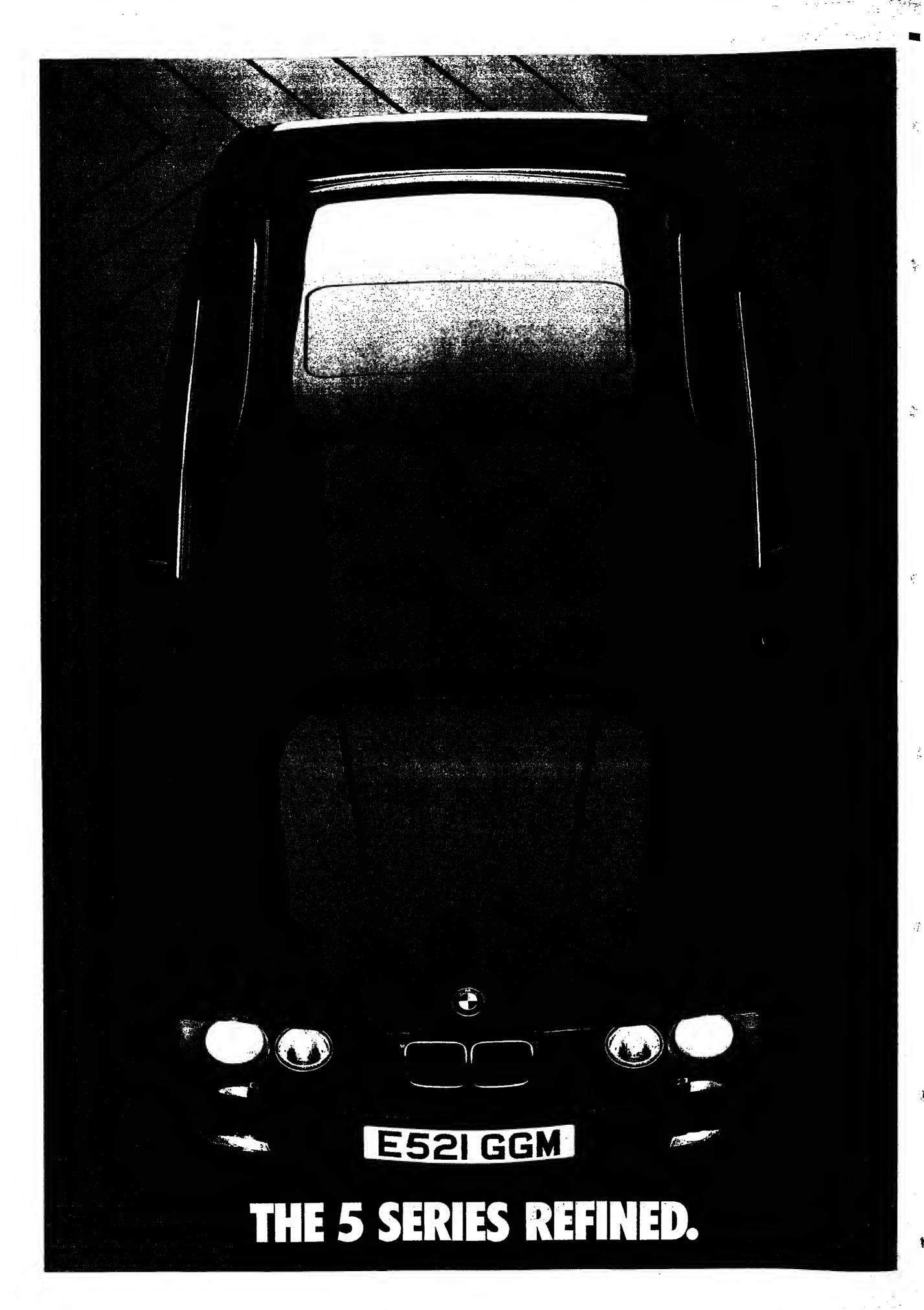
navigators have been 500 years. We are a legend.





We fly the face of History.





Neither of these tasks was an easy one.

The current 5 Series, though six years old, includes the world's fastest four door production saloon.

And as for producing some new form of performance saloon, could BMW engineers triumph where others have not?

Frankly, it would appear that they have.

Motoring journalists have not only been unstinting in their praise of the new 5 Series, but also unanimous.

It is no mere facelift. The designers began with a blank sheet of paper.

And not one body panel is carried over from the previous model.

#### STYLED BY WIND, AS MUCH AS BY HAND.

The new car has a drag coefficient as low as 0.30. With even the floor pan shaped, to provide increased grip at speed.

But though BMW reduced the car's wind resistance, they succeeded in retaining its character. As 'Car' magazine reported:

"...its styling is modern, purposeful and yet unmistakably BMW."

Some credit for the car's appearance must go to those who engineered the chassis. Its wider track, longer wheelbase and lower centre of gravity give the car a sleek low look.

They also contribute to the car's near perfect balance and behaviour.

Back to 'Car' magazine.

"In this class no other saloon offers a better blend of ride, roadholding and handling."

# THE INTERIOR IS AS CLASSICALLY BMW AS THE EXTERIOR.

The dashboard is unashamedly driverorientated. Without a single garish liquid crystal gauge in sight.

They may be fractionally more efficient in reacting to information, but BMW judge them rather less efficient in communicating it.

'Motor' obviously concur. "Bereft of styling excesses and gimmicks, the display stands as an example of design purity and clarity."

"The 520i's fascia brings new realism to the term 'carved from solid'. It looks superbly integrated and beautifully assembled from high-grade mouldings."

Of course, BMW have long been praised for their build quality. A reputation they were not about to compromise.

So, despite the trend to build less and less substantial cars, BMW have constructed a more substantial one.

400lbs heavier, the new 5 Series has a bodyshell over 40% more rigid than the previous model. Stiffness that is an aid to swiftness, as 'Motor' found.

"The car's immensely strong rigid bodyshell also allows it to sail over large crests and dips with a feeling of great integrity. There's very little excess body movement: control is simply terrific."

Braking is equally sure.

There are ventilated disc brakes all round. The largest of any car in this class, they operate via a powerful new vacuum servo.

And from the 525i, every member of the new 5 Series has the added benefit of ABS.

# SO MUCH FOR THE 'STOP'. NOW ON TO THE 'GO'.

The new 5 Series is powered by what is widely acknowledged as the smoothest range of six cylinder engines in existence.

It begins with a tax efficient two litre. And even this is capable of propelling the car at a somewhat academic 125mph.

Next is a 2.5. It develops maximum torque at just 4,300 rpm. Making the 525i particularly adept at motorway overtaking.

Thirdly, there is a 3 litre that develops an impressive 188bhp.

And at the top of the range, a 3.5 that will take the car from 0 to 60mph in just 7.7 seconds.

All four are fuel injected. And they each incorporate a computerised engine management system that constantly 're-tunes' the engine for optimum performance.

The car will also calculate its own service intervals. And memorise any engine fault, no matter how fleeting, then report it on its next visit to a BMW service bay.

But it is the engine's performance not its practicality that will attract the keen driver.

It certainly attracted the man from 'Motor.'

"Throttle response is super-crisp and entirely consistent but most impressive is undoubtedly that superlative mechanical smoothness."

Excellent though the individual components of the 5 Series are, it was the car as a whole that impressed 'Motor' most.

"Its real achievement is in the completeness of its abilities, its depth of talent. BMW's standards appear to march forward irrespective of model range or price."

Over the last 4 years BMW invested 4 million man hours in the development of this new 5 Series. And they drove prototype cars and tested components over 2.9 million miles.

(The equivalent of driving around the world one hundred and sixteen times.)

The car that has emerged packs more advanced technology per square inch than any BMW before. Driving it, however, provides some good old-fashioned rewards.

"The 525i is sporty and civilised, fast and economical, well put together and relatively affordable, comfortable and fun to drive."

"This is a sports car dressed as a family saloon, a driving machine which does not sacrifice creature comfort."

These paragraphs represent 'Car's' verdict. BMW now await yours.

THE ULTIMATE DRIVING MACHINE

# THE PERFORMANCE CAR REDEFINED.

THE NEW 5 SERIES RANGE FROM £15,985 FOR THE 5201 TO £24,995 FOR THE 535ISE. PERFORMANCE FIGURE SOURCE: MANUFACTURER. PRICES, CORRECT AT TIME OF GOING TO PRESS, EXCLUDE DELIVERY AND NUMBER PLATES. FOR A NEW 5 SERIES INFORMATION FILE OR TO ARRANGE A TEST DRIVE, PLEASE WRITE TO: BMW INFORMATION SERVICE, PO BOX 46, HOUNSLOW, MIDDLESEX OR TEL: 01-897 6665, FOR TAX FREE SALES, TEL: 01-629 9277,

Management

abstracts

THE STEEL industry of Lorraine has proved an unusually fertile training ground for the French luxury goods industry. Not one, but both the joint heads of LVMH - the Louis Vuitton Moet Hen-

nessy champagne, perfume, lug-gage and cognac group -emerged from industrial careers among the blast furnaces of France's north-eastern steel belt.

Henry Racamier was 65 when he left the steel industry in 1977 to take over the management of Louis Vuitton. In ten short years he transformed the old established family company specialis-ing in high quality luggage into a major international group in the major international group in the luxury products market. Alain Chevalier, a product of France's elite Ecole Nationale d'Administration (ENA), which has groomed generations of top French civil servants and politicians, had spent six years with the Sacilor steel group before he joined Moet to engineer the marriage between the chairman of the riage between the chairman and the early 1970s.

become synonymous with jet set travel.

From the beginning, the merger was seen as a marriage of luxury and reason between the Louis Vultton groups. "The experience of the Moet Hennessy marriage showed that it could work," says Chevalier, the chairman of the new LVMH group who shares new LVMH group who

to the more glamorous and lucrato committee. Chevalier says that in
tive charms of the French luxury
his 17 years as head of Moet-Henproducts industry, met exactly a
year ago to consummate what
has undoubtedly been one of the
have been taken unanimously biggest and most original merg-ers in France's corporate high opinions of the various majority society. A year later, a honey-shareholders." moon atmosphere continues to prevail in the discreetly opulent new LVMH corporate headquar Moet and Vuitton much easier ters - a Parisian town house and quicker to put together.

former groups the same philoso-french luxury products industry phy to this business," says the has beeu swept by a wave of veteran but sprightly Racamier. takeovers and business concen-"We have always sought to keep the independence of the different consolidate the control of its capi-

ually closer all the time."

ued to attract heavy takeover attention of companies which are all last Wednesday, nearly 170,000 leaders in their respective fields shares (there are just over 11m shares in issue, about a quarter 18.25bn (£1.25bn) and net profits of FFr 1.34bn (£126m) last year, nearly 100,000 had changed hands the group is the world's biggest champagne producer with Moet-Chandon and Veuve Clicquot and several other brands. It is also number one in cognac with Hen
ued to attract heavy takeover consolidate his stake while the shares have also been boosted by LVMH's new acquisition plans in the fashion and wine sectors. But if the LVMH marriage last year was designed to consolidate his stake while the shares have also been boosted by LVMH's new acquisition plans in the fashion and wine sectors. But if the LVMH marriage last year was designed to consolidate his stake while the shares have also been boosted by LVMH's new acquisition plans in the fashion and wine sectors. But if the LVMH marriage last year was designed to consolidate his stake while the shares have also been boosted by LVMH's new acquisition plans in the fashion and wine sectors. But if the LVMH marriage last year was designed to consolidate his stake while the shares have also been boosted by LVMH's new acquisition plans in the fashion and wine sectors. But if the LVMH marriage last year was designed to consolidate his stake while the shares have also been boosted by LVMH's new acquisition plans in the fashion and wine sectors.

But if the LVMH marriage last year was designed to consolidate his stake while the shares have also been boosted by LVMH's new acquisition plans in the fashion and wine sectors.

But if the LVMH marriage last year was designed to consolidate his stake while the shares have also been boosted by LVMH's new acquisition plans in the fashion and wine sectors.

But if the LVMH marriage last year was designed to consolidate this stake while the shares have also been boosted by LVMH's new acquisition plans in the fa ually closer all the time." number ooe in cognac with Hennessy and Hine, and a leader in less than FFr 2,000 the week from perfumes and beauty products before. various components of the new group, the merger has boosted the international competitiveness

Louis Vuitton Moet Hennessy

# 'Getting closer all the time' — but still independent

Paul Betts examines the progress of a merger of two French luxury goods groups

become synonymous with jet set

ne early 1970s. executive vice chairman and The two men, long converted head of the holding's strategic

uear the Invalides.

"The merger bas gone very well because we have in both our the merger. At a time when the 

ued to attract heavy takeover



Alan Chevaller (left) and Henry Racamier: never a question of one group absorbing another

volume reflected the recovery of its freedom of action and identhe stock after last October's tity, the new top management of stock market crash. Moreover, the group, working in close conthe company's financial prospects this year are very promis-ing making its shares all the more attractive.

But the bourse is also speculat-

adds. House of any French company. "It makes us very expensive," says france, as well as Unilever, the Chevalier. At the same time, the other," explains Chevalier. "We cant of the group's capital and 50 there have always regarded our merger per cent of the voting rights.

Nonetheless, LVMH has couting to the group is attempting to the group in practice, as well as Unilever, the Agache group in france, as well as Unilever, the Anglo/Dutch toiletries and food group, have all been rumoured.

There has also been speculation that one of the family shareholders of the group is attempting to the group is attempting that one of the family shareholders of the group is attempting to consolidate his stake while the shares have also been boosted by LVMH's new acquisition plans in

with Christian Dior, Giveuchy The group has sought to pour and development opportunities of and Roc. As for Louis Vuitton's cold water on the takeover the former Moet and Vuitton traditional luggage and leather rumours, claiming that the rise goods business, they have in the share price and trading in the new confederation retains

doubled our sales in the US to around US\$ 500m a year," he

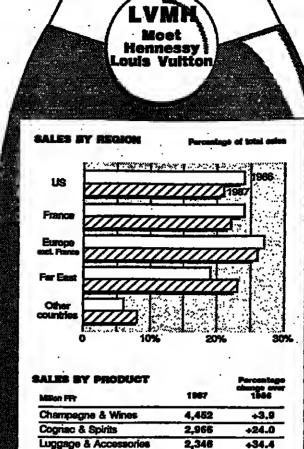
says. Moet and Guinness have since expanded their marketing associ-ation. But what is original is that the Moet-Hennessy products are distributed by a separate system to the Veuve Clicquot and Hine cognac products to enable the dif-ferent brands to pursue autonomous, competing sales policies.

There are not at present such obvious synergies in the perfume business of the new LVMH business of the uew LVMH group. Chevalier says the various brands will continue to be run autonomously although the Givenchy perfume business, which came from Vuitton, will uow clearly benefit from Moet's major research facility in biotechnolo-gies, beauty care and horticul-The merger has also signifi-

cantly expanded the group's resources for future deve and growth. Indeed, between negotiable securities and credit lines, the group can draw today on an instant financial war chest cert with the executive teams of the various operating subsidiaries, lays down the overall of about FFr 4bn for acquisition strategy of the group.
Probably the most significant example of this strategy has been opportunities. Racamier has been particularly studying the group'e diversification and development strategy. "We are a global com-pany with about 80 per cent of in the new group's wine and spirits operations. Before the marriage with Louis Vuitton, our turnover doue outside Moet was already involved in advanced negotiations with France. But we are also a particularly French company with about United Distillers Group, the wine and spirits division of Guinness, to pool together their respective 80 per cent of our investments in France," he says, explaining that the group now wants to increase its investments abroad, especially in Europe and the US. Racamier is looking at opportudistribution networks. This major marketing agreement was completed at the same time as

the merger with Vnittou was nities to expand the group's announced and was immediately extended to Viritton, which had activities into the haute couture business - "It is no secret that recently acquired the Veuve Clic-quot champagne business.

Chevalier explains that Moet
had sought the world-wide distriown the Givenchy perfume busi-



3,206

13,247

+20.4

+18.6

n/a

product so well in Japan if it did rently experiencing an explosive

TOTAL

Perfumes & Beauty Care

rently experiencing an explosive mainframe data. Proposes four not have the Made in France label," be explains.

But the way Moet has expanded its sparking wine businesses in group's operating professionals and beauty products the group's strategy to diversify outside France. "I expect that most of our future diversification will be done outside France, "group also have a similar most of our future diversification will be done outside France, "group also have a similar manager data. Proposes four solutions, with their downsides, concluding that the only really effective answer is a database manager data dictionary, which still has the disadvantage of inflexibility.

Managing information systems professionals. F.G. Withington in Datamation, Oct 15 87 (4 pages). Identifies problem areas for managers of small information systems department — inter alia must be careful to protect and expanding these activities to Chevalier says that he prefers to Suggests that these disadvantages.

Chevalier explains that Moet had sought the world-wide distribution agreement with United Distillers to expand and broaden its sales and marketing base. "Five or six years ago we were a big wine and spirits group. But with the low growth of the champagne market, there was a strong trend towards concentration in the wine and spirits husiness and we risked in the longer term becoming very small. Thanks to the Guinness deal we have now pass two years since we already own the Givenchy perfume business and expanding these activities to Chevalier says that he prefers to Chevalier says that he prefers to Spain and Australia as well as Brazil, Argentina and Germany.

Both Chevalier and Germany.

Both Chevalier and Germany.

Both Chevalier and Racamier or prestige company but as a prestige name in the Burgundy increasingly balanced portfolio of operations as one of its strengths. The luggage and wine contributed about the same with contributed about the same with investments geographically, "I'm not so much as the Example and Australia as well as Brazil, Argentina and Germany.

Both Chevalier and Racamier or prestige company but as a prestige name in the Burgundy increasingly balanced portfolio of the luxury market, "We must," operations as one of its strengths. Leading French luxury products prestige name in the Burgundy increasingly balanced portfolio of the luxury market, also avoid becoming the second of the group's diversified and prestige name in the Burgundy increasingly balanced portfolio of the luxury market, also avoid becoming the second of its various individual brands.

Both Chevalier and Racamier or prestige company but as a prestige name in the Burgundy increasingly balanced portfolio of the luxury market, "We must," operations as one of its strengths. Leading French luxury products properties as one of its strengths. Leading French luxury products properties as one of its strengths. Leading French luxury market, "We must, "Spain and Australia as well as prestige of the profers or prestige company by the

Avoiding the pitfalls in manag-ing distributinu channels. A.J Magrath and K.G. Hardy in Business Horozons (US), Sept|Oct 87 (5 pages).
Discusses the difficulties that arise when a manufacturer wishes to switch his distribution

wishes to switch his distribution channels; illustrates the point ueatly by reference to Levi-Strauss, an insurance company, Porsche, Taco Bell franchises, Kroy lettering machines and IBM microcomputers. There is a further information reference for each of these cases.

Winning strategies for manufac-Winning strategies for manufac-turers in mature industries. R.J. Mayer in The Journal of Business Strategy (US), Autumn 87 (712

Argues that a successful approach to manufacturing strategy contains three main eleegy contains three main ele-ments: segmenting operations into strategic units (groups of products with similar manufac-turing and marketing character-istics); exploiting manufactur-ing's cost structure to bridge the gap between internal costs and external market demands, and understanding competitors' cost and customer service advantages/ disadvantages; adopting com-puter modelling techniques to predict outcomes of alternative processes to arrive at the opti-

When the end-users' triumph when the end-size that the dark. M.
Powell in Computer Weekly (UK),
Nov 8? (1½ pages).
Explains, clearly and simply.

the dangers of departmental microcomputers using data, e.g. producing customer records which do not match with central mainframe data. Proposes four

Suggests that these disadvantages can be overcome by flexibil-ity in terms of uon-monetary rewards, training, and advocates strong interaction with user epartments even to the extent of duty tours in production depart-

These abstracts are condensed from the abstracting journals published by Arbar Managament Publications. Licensed copies of the original articles may be obtained at a cost of EA each (sectuality VAT and p+p; cash with order) from Anber, PO Box 23, Wembley HAB BOJ.

# How to ive, Mork and Invest abroad The complete monthly guide

The rewards of life overseas ara big - a better job, more money, lower taxes, a higher standard of living and a lot more. You can easily double your income - or do even better - with the right advica.

Probably the very best advice for expatriates is in Rasident Abroad. Every month you can look forward to news and comment, entertainment and hard information. Ways to make money, ways to save money and a host of ideas on how to spend it!

#### **EVERY MONTH RESIDENT ABROAD COVERS**

Effectiva tax planning Financial Notebook Letters to the Editor Currencies Offshore funds World stockmarkets

**UK Living costs UK house prices** What's on overseas **Prize competitions Travel & Leisure** 

As well as the best investment opportunities and the neatest tax plans, Resident Abroad covers just about every other subject you're likely to need an expert view on while you're abroad. It's all presented in a clear readable style so you can plan your moves with confidenca.

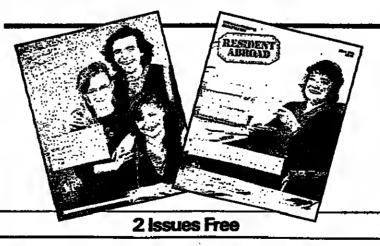
There's more to life overseas than money. When you're considering your children's education, when you're wondering about prices in the UK, when you're choosing airlines, cars and holidays, turn to Resident Abroad for an informed view.

#### **Published by the Financial Times**

Resident Abroad is written by an expert team from F.T.

Magazines. As you would expect from a sister publication of the F.T., the quality of reporting is of the highest standard.

For almost a decade, Resident Abroad has offered solid, impartial advice on all aspects of living and working overseas. News is interpreted from your viewpoint as an expatriate.



We would like you to see for yourself how Resident Abroad really is the complete guide to life overseas. Simply fill in the coupon on the right and send it to the address shown. We will send you the next 2 issues of Resident Abroad free of charge.

#### Money Back Guarantee

If you decide to become a full subscriber, you are protected by a Money Back guarantee. Should you decide to cancel at anytima, the unexpired portion of your subscription will be refunded in full.

You can cancel your trial subscription after the second issue and owe nothing. Or you can go on receiving that magazine every month after the first two. You still pay

	Reply Form	
Yes, Please er understa free to ca unexpired in the propriate box.  UK: £30  Europe: £35	to FT Business Information Ltd choice	Resident Abroad. I he price of 12. I am efund for the Rest of World  [] £43 airspeed  [] £56 airmail
expiry Date  LOCK CAPITALS PLEAS  Mr/Mrs/Miss	SE .	·
company/Private A	ddress	
ountry	Post Coo	ie
ignature	Date	
Registered	Address: Bracken House, Car C4P 4BY. <i>Registered Number</i>	non Street, : 980896.

# Some people, it seems, can work absolutely anywhere.



necessial necess

d sumphy
Timental
data es
Tecores
th central
th central
th traffy
database
Timental
th traffy
database
Timental
th traffy

1 4) stem strigion = 1 pagest areas for formation inter al-

TRUE COM

promotes designation designation adentities with use

1. A splash of inspiration.

Everyone knows how the Greek mathematician Archimedes made a great discovery in his bath and then ran naked through the streets of Syracuse shouting, "Eureka!" (Thave found it!") At first, it was not clear what he had grasped - except that it had apparently displaced a large volume of water - but Archimedes' Principle soon became universally recognised. (This has since been superseded by Alexander Graham Bell's Corollary, which states that when a body is immersed in water, the phone will ring.)

However, it is not widely known that Archimedes often used to work in unusual places. Indeed, whenever he had bathed, he would cover himself with olive oil and draw mathematical diagrams on his skin with a fingernail. In 212B.C., the Romans captured Syracuse - and the 75-year-old scholar was found performing calculations in the dust. A Roman soldier stepped on them, causing him to exclaim angrily, "Don't disturb my circles!" - which in turn so enraged the soldier that he drew his sword

and killed him on the spot. . Unfortunately, Archimedes left no record of where he perfected his screw.

#### 2 Fellow wallowers.

Archimedes was by no means the only person to make a discovery in the bath. In 1978, the French pop singer Claude François discovered that it is not a good idea to change light bulbs while standing in the bath — and promptly became the late Claude François.

Another singer who had a rather happier time in the tub was the great operatic tenor Enrico Caruso. He used to practise in the bath (often twice a day), following the score on a specially-fitted music stand while a pianist accompanied him from just outside the door.

The actress Sarah Bernhardt was less modest. She used to make stage plans with managers and authors present in the room as she bathed. However, she did take the precaution of sprinkling powdered starch in the water to make it opaque, which gave rise to the legend that she bathed in milk.

While we are in the bathroom, it appears that few people in history have worked on the telet, but the man who perfected the flushing loo must have had his seat on the seat for some time in the course of his research. His name was Thomas Crapper.

3. Granny Smiths and gravity.

für Janac Newton, arguably the greatest mathematician to have fixed since Archimedes, seems to have shared the Greek's ability to work anywhere. In fact, Newton himself considered this to be the secret of his success. When asked how he had been able to make so many pioneering discoveries in astronomy, he replied, "By always thinking about them."

His dedication to science became apparent at a very early age. When his uncle sent him out to graze the

sheep, he would often be found later reading under a hedge, quite oblivious of the sheep that had wandered off. Yet far from being angry, his uncle was impressed enough to send him to Cambridge.

In 1665, however, the university was forced to close by the Great Plague, so Newton returned to his mother's house at Woolsthorpe in Lincolnshire. It was while he was sitting in the orchard there that a falling apple led him to discever the law of gravitation - which came as a blow to many people who had been floating around quite happily until then.

On another occasion, Newton invited a friend to dinner, but was so engrossed in his work at the appointed hour that he noticed neither his friend's arrival nor his meal being served in front of him. Rather than let it go cold, the friend ate the scientist's dinner - and when the latter finally broke off from his meditation, he looked in astonishment at his empty plate. "If it were not for the proof before my eyes," he said, "I could have sworn that I have not yet dined."

#### 4. No rest in the restaurant.

The composer Johann Strauss II was also given to working at the dinnertable. He wrote his 'Accelerations Waltz' on the back of a menu in a Vicuna restaurant, and so exasperated his wife with his habit of composing instead of conversing at meal-times that she left him.

Sir Henry Royce, partner of Charles Rolls, is known to have had at least one working hunch in a London restaurant. All through his meal, he was irritated by a creaking trolley. He said nothing at the time - but when the waiter cleaned the table, he found a sketch of a new design for the wheels.

Picasso used his sketching ability somewhat more profitably. He would pay for dinner by doodling on napkins and autographing them, which is certainly preferable to doing the washing-up.

#### 5. Getting rich in the kitchen.

Over the years, there has been no less activity in the kitchen than at the dinner table. The French philosopher René Descartes apparently used to

meditate inside a stove. George Eastman developed the first successful dry plate for photographers among the dinner-plates in his

mother's kitchen and went on to begin the Eastman Kodak Company. Harriet Beecher Stowe was once found kneading dough while holding a pencil between her teeth. She was using every spare moment to write Uncle Tom's Cabin', an antislavery novel which did much to precipitate

the American Civil War. However, the discovery made in 1845 by the German chemist Christian Schönbein had a more immediate explosive effect. He was experimenting with a mixture of sulphuric and nitric acid when he spilled some on the kitchen table. He duly mopped it up with his wife's cotton apron and hung it in front of the fire to dry. When his

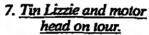
wife returned home, she hit what remained of the roof. Her slightly charred husband had invented guncotton.

#### 6. Notions in motion.

Friedrich August Kekulé von Stradonitz hardly sounds like the average man on the Clapham omnibus, but that is precisely where he achieved his scientific breakthrough in 1858. While dozing, he dreamt of snakes biting their own tails, thus creating rings - and on awaking, he realised he had discovered the structural formula for benzene which he had been trying to work out for years. With this knowledge, all the facts of organic chemistry known up to that time fell into place.

At least two composers have also worked while travelling by road. While driving to work one morning. George M. Cohan wrote the war song 'Over There', for which he was awarded a special Congressional Medal in 1940.

And Noël Coward was in a taxi caught in a traffic jam when he wrote his popular song Til see you again' which is a miracle if his driver was whistling out of tune or droning on about how he once had a trial with Brentford.



The man who popularized motor transport actually started out in a humble shed. By day, Henry Ford was the chief engineer of a Detroit electrical company, but at night he would work for hours in the shed behind his house. while his wife sat on a box watching him. In May 1896, after three years of hard toil, he had his first car ready to run.

He started the engine - and shot out of the shed, across his wife's prize flower bed and into the clothes-line pole, smashing it to pieces.

Undeterred, Ford went on to pioneer the mass production of motor cars with the Model T assembly line - but even after he had made his fortune, the industrious industrialist kept his mind on business wherever

In the early stages of World War I, he sailed for Europe with other eminent pacifists to appeal for an end to hostilities. The plan failed, and Ford's 'Peace Ship' became known as the 'Ship of Fools', but when he arrived back home just three weeks after he had left, he was unrepentant. "I didn't get much peace," he admitted, "but I learned that Russia is going to be a great market for tractors."

#### 8. Dial-a-Virgin.

The ability to work anywhere seems to be a trait common to all successful entrepreneurs.

In the mid-1960s, a 16-year-old boy decided to start a national student magazine. He had no office, but he drummed up £5000 of advertising for the first issue by finding a phone box, opening the Yellow Pages and selling. Very soon, 'Student' had a circulation of 100,000. At the same time, he started an advice service in the crypt of a church, using a slab of marble across two coffins as a desk.

Today, from his houseboat on a London canal, Richard Branson runs Virgin Records, Virgin Books, Virgin Atlantic and ... actually, why aren't they called Virgin Condoms?

In the 1950s, another member of Workaholics Unanimous took a more direct route into the sex market. Hugh Hefner put together the first three issues of Playboy' magazine on the kitchen table at home - and the printer complained about butter stains on his typed copy sheets. Hm.

#### 9. Nye at night.

Taking work home is often necessary, but it can have drawbacks, particularly for the rest of the family.

Aneurin Bevan, minister of health from 1945 to 1951, brought home a caseful of documents almost every night and worked on them in a small bedroom at the top of the house. One night, after slaving away for hours, he called to his wife to bring up a second batch of papers. "No," she replied. "One you may have. But taking two to bed is positively immoral."

Bevan's Labour colleague Harold Wilson later questioned the value of working all night in this way. The greatest asset a head of state can have is the ability to get a good night's sleep," he claimed.

Taking your work home is also inadvisable if you happen to work at the Bank of England - but in such a situation, the next section may prove useful.

#### 10. Brain cells.

Working in prison does not necessarily mean the usual occupations of mailbag-sewing and sheet-knotting.

When Charles Goodyear was imprisoned for debt in Paris in 1885, he was allowed to send out for chemicals so that he could continue his

experiments on vulcanizing rubber. Countless writers of conviction have worked on their sentences behind bars, including François Villon, John Bunyan, Voltaire, Thomas Paine, Oscar Wilde, Adolf Hitler, Joe Orton and the ominously-named Charles

Bloodgood who wrote a chess textbook ('The Tactical Grob') while in the penitentiary for matricide. Recently, an increasing number of prisoners have been studying for examinations. (One man actually acquired a total of 49 'O', 'A' and 'S' levels.) However, cynical observers have doubted the value of this trend.

When one convicted thief graduated in sociology, it was remarked that,

"he'll still nick from anyone - but at least he knows why he does it now."

#### 11. A bed at booktime.

Nye Bevan's wife may have complained about him working in bed but what would she have made of the French writer Marcel Proust?

After his mother died, he retreated to his room and stayed in bed for virtually the whole of his last fifteen years. Cork panels were nailed to the walls and ceiling to exclude all noise, dark curtains were permanently drawn across tightly-shut windows to keep out both light and air, and fumigating smoke filled the room to ease his asthma.

Yet it was in this stifling environment that Proust wrote his brilliant masterpiece 'A la recherche du temps perdu'. It is

not a directly autobiographical work - but it is clear from the very first line that much of his own experience is incorporated: "Longtemps, je me suis couché de bonne beure."

#### 12. Even Stevenson.

Robert Louis Stevenson was another writer to suffer from respiratory illnesses — but unlike Proust, he roamed far from home. His story 'The Master of Ballantrae' is remarkable for its evocative

descriptions of South-West Scotland, yet it was actually written in America, Hawaii and Tahiti. Similarly, Treasure Island' was penned in Switzerland, 'Catriona' in Samoa - while 'Kidnapped' and 'Dr Jekyll and Mr Hyde' were both composed in exotic Bournemouth. Stevenson even wrote on his

honeymoon. One would have thought that he had better things to do, but perhaps these lines from his 'Child's Garden of Verses' express his fears on that subject: "Must we to bed indeed? Well then,

Let us arise and go like men, And face with an undaunted tread The long black passage up to bed."

Still, his wife could not have been less attractive than his companion of 1878. (See Travels with a Donkey' (1879).)

#### 13. A master painter.

Between 1817 and 1845, the painter J.M.W. Turner made no less than eighteen journeys abroad, travelling as far afield as Naples, Vienna and Prague. This was quite exceptional, even for a landscape artist, for most of his contemporaries made enough notes for a lifetime's output during one or two continental tours.

His mobility was made possible by the recently-improved road network in Europe - and in fact, Turner once referred to John McAdam, the inventor of tarmac, as the 'Colossus of Roads'. Fortunately for us, though, he concentrated on art rather than humour.

He is known to have sketched while on the move — a fellow-traveller passing clouds as they sed me An and he obviously worked outside a great deal (his watercolour of Cader Idris is actually spattered with rain).

However, his most unusual workplace by far was on board the steamboat Ariel as it left Harwich one stormy night in 1842. Although he was then 67 years old, he persuaded the sailors to lash him to the mast so that he could observe the scene.

#### 14. The hat on the head of state.

Working in unusual places is all very well - but carrying the relevant

notes from place to place can be inconvenient. Abraham Lincoln solved the problem by keeping his office in his top

hat. Whenever he had an idea (on one of his midnight walks around the

White House, for example). he would take a pencil and paper from his hat and write it down on the spot. (He could not use his coat pockets, as his wife had a fetish for white kid gloves and sometimes left six or seven pairs in them.) On his return to his other office, Lincoln would continue his work lying flat on the floor.

Surprisingly, Abe was not the only person to keep things under his hat. His method was also employed by the 19thcentury Scottish naturalist Robert Dick.

#### 15. How to run software anywhere.

Of course, you do not need to get a hat to get ahead. You can get the new 16-bit Epson PC Portable instead.

Being battery-powered, it can be used anywhere from bathrooms to boats (and weighing only 11 pounds, it certainly isn't a pain in the arm to carry around) - yet back in the office, it can be linked up with any of

It has an integral keyboard and back-lit screen (which has the same number of columns and rows as an ordinary VDU). It is available with twin floppy disk drives or 20Mb of hard disk storage. Moreover, it is exceptionally fast and will run all the leading business software on the market.

Yet for all this, the PC Portable costs only £1395 or £2195 (RRP exc. VAT), which is quite a bit easier on the pocket than certain other 16-bit portables.

To pick up more information on this new Japanese take-away, either: write to Epson (U.K.) Limited, Freepost, Birmingham B37 5BR; call up Prestel \*280#; or ring 0800 289622 free.

Quite frankly, you would be a 19th-century Scottish naturalist to use anything else.



**EPSON** 

#### La traviata/Cardiff

#### **Max Loppert**

The New Theatre, Cardiff has been refurbished - where previously there were cramped foyers and seedy passages, space and light (and decent loos) have been elegantly acquired. Inside, there is a smart new plum decor and, on Saturday, a new Welsh National Traviota that showed the company in characteristically adventurous form. The production by Gōran Jārvefelt raises more issues than it answers. But it moves fast and hits hard — no question here of simply sinking hack to enjoy "the work as usual." That's good, and so is the cleanly defined cut of its execution; more than ever, the WNO insists on being recognised as the most European of British opers

companies.

Verdi's opera is generally thought of as a personal tragedy rooted in theatrical realism, the rooted in theatrical realism, the most naturalistic of his middle-period masterpieces. This is how Peter Hall saw and produced it for Glyndebourne. Jarvefelt's staging, in the designs of Carl Friedrich Oberle, takes a strikingly different line. The drama is realized in a series of images continuous many continuous and musically used (the edition is absolutely full, and she in the continuous co realized in a series of images constructed and contrasted with quite hreathtaking brilliance and confidence of style: the same of colour, and the Italian words milleu, a shiny-black box, is variable. milieu, a shiny-hlack box, is varied to disclose four diffarent Laurence Dale's Alfredo, overmodes of Violetta's existence.

straight, and the placing of each exception undersung. The sense chair, each flower, is important, that Verdi achieved his dramatic Oberle has created a world of tre-power ont of unadorned vocal mendous chic, brittle, heartless, expressiveness was less than and sexually ambiguous, whose overwhelming at Cardiff on Satshapes and artefacts draw on a "designer's Paris" of the 1930s, heavily influenced by contemporary photography and fashion one half expects to see Cocteau, Jean Marais, Chanel, and Brick-Mackerras. I had heard several Jean Marais, Chanel, and Brick-Mackerras Travitates before this top at Violetta's first party.

retired London Traviata, in Bear- and dramatic purpose. He is not dsleyesque black and white, come afraid to "think big" where situato mind hnt are irrelevant, since tion and musical form require it the purpose here is to poise the - the rhythmic energy found in opera in a visually seductive, cabalettas (notably "Sempre lib-morally empty no-man's land in era") threatens tidy ensemble morally empty no-man's-land in era") threatens tidy ensemble — which the destruction of Violetta's fragile hopes becomes inevitable. In the foreground, Järvefelt judged) and pacing of lyrical
and his cast play the personal meditations show ideal intimacy
confrontations with a lean, hard
focus, spare of movement, all of a
Verdi conducting of rare quality,
piece with a staging intensified and it makes all the difference in
in tactile and textural impact and

denuded of realistic detail. It is a production of great boldness, and even in those moments where (to a prosily literal-minded observer) its effects jar with the text or with Verdi's libretto instructions, one salutes the taut conceptual intelligence behind it. I found the performance unmov-ing this had, I think, to do with its relative diminishment in importance of Violetta's hlazing struggle against a particular society and its values - the progres-sive ravages of her disease are unusually hard to detect. But. more to the point, the production would seem to demand a principal trio of the most potent vocal and dramatic personality, a principal trio of the most charismatic intensity, in order that its balance of the productions between the principal trio of the most charismatic intensity, in order that its balance of the principal trious balance of the principal trious and principal trious balance of the principal trious and principal trious balance of the principal trious and principal trious a ance of style and substance be carried off – and this, it seems to me, the WNO have falled to sup-

Colours are severely rationed both verses of his Act 2 cabaletta. — white, black, and red dominate (father Germont in a grey three-piece suit is one of the few to hreak the colour-coding, to strong effect); lines are hard and The smaller parts are without the colour coding. expressiveness was less than

on at Violetta's first party. one, but none more unarguably Parallels with Visconti's now anthoritative in scale, manner,

#### Jenufa/The Place

#### **Rodney Milnes**

der. Its reputation is fully a stunning achievement. The deserved: last night's perfor-mance at The Place, part of the tin Davies's economical and admirable London International Opera Festival, was one of the most profoundly shattering theatrical (not just operatic) experi- not singing, sit behind it, providences it has been my good for- ing an appropriate hint of ritual tune to encounter for many a and communal drama.

There is no hint, however, of

cek's genius, it goes without say singing, which is uniformly ing, which encountered at such excellent. The seven soloists, close quarters hrands the very doubling roles and indeed chorus soul; the opera is sung in the language of the audience, and the fact that the Kraus/Downes translation is showing it age (32 years) pales into insignificanca beside the intelligence and commitment with which it is enunciated (this puts Glyndebourne's crass decision to perform Kotya in Czech with an Anglophone cast into humiliating perspec-tive); the brilliance, invention and directness of Matthew

Scottish Opera Go Round's production of Jenufa was first performed in the Autumn of 1986, cally bravura playing almost persuade news of its exceptional qualities soon filtered south of the boration of the production is fully a standard or callingment. The atmospheric set, spectacularly lit (no credit in the programme -Mr Richardson?). The cast, when

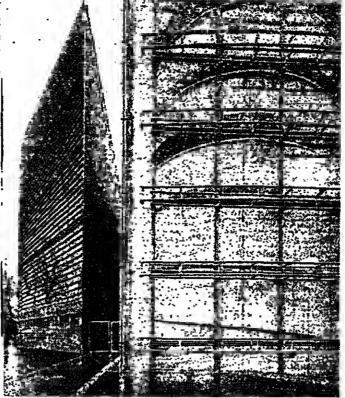
The reasons are many: Jana- workshop or fit-np tour about the

#### Architecture/Colin Amery

# Experimenting with space

There is a wonderful opportunity in London at the moment to see a masterpiece of contemporary masterpiece of contemporary architecture by one of France's leading architects. Little known outside his own country and exhibiting for the first time in the UK, it is right to call Jean Nouvel a polemical innovator and if you cannot visit his Insti-tute of the Arah World in Paris. see the display of material relating to this building at the 9H Gallery (26 Cramer Street, London, W1 closed Mondays, open nntil 8pm Thursdays; tel 486 3555). His work is firmly in what we

now have to call the Modern tra-dition, hat he simply does what-any serious architect does: he explores his brief and utilises every opportunity for innovation and experiment. Because his architecture uses the vocabulary of high tech it would be easy to include him among the older architects like Norman Foster or Richard Rogers, but in fact he is much more interesting because he is much more experimental. The entry for the Tokyo Opera which is on show at 9H shows a powerfully radical approach, one which is almost shocking, yet stirring. He challenges ideas about what constitutes architec-tural space, and he utilises the techniques of building in ways that are both constructional and compositional. He is not playing



Jean Nouvel's elegant buildings for the Institute of the Arab World in Paris

the esoteric games of some American architects (I think particuto to have broken through one of larly of Frank Gehry); and his the major harriers of modern screen of opening and closing work has the serious advantage of the support of French logic.

At the remarkable institute of made parts of his building, gel and s reminder of the carved the Arab World on the left bank into something which is poetificatively in the Middle East, of the Seine Jean Nouvel seems cally beautiful and innovative.

such elegance makes somewhere like the exterior of London's Lloyds Building look like the unsophisticated work of a child.

Working in the great tradition of Chareau, Jean Nouvel is clearly a master. The coarse old fashioned Modsrnism-turned-Beaux Aris that we are going to see built at Canary Wharf pales into complete irrelevance besides the technical assuredness of his work. I hope that one of the more enterprising property developers will snap him up and commission a major technical triumph from him in London, or an inner city Enterprise Zone; but he should first check on the cost of the Arab Institute, which is one of the generous French Government's Grands Projets. Expensive but worth it but worth it.

In quite another vein there is in quite another vein there is time to catch Topiary, Trellis and Temples, a history in prints and drawings of garden views and garden buildings 1650-1825 at the Henry Sotheran gallery in London's Pimlico Road. I loved the French Promenades Aeriennes and the corresponding to the co and the opportunity to see some eighteenth century Russian mate-

At the Royal Festival Hall the work of the architect Walter Segal, who died in 1995, is shown in a small exhibition that shows the care and trouble he took with his housing design and his sym-pathy for his clients. He was practising community architec ture long before it was invented and not for nothing is this exhibition entitled An Architecture of Understanding.

#### Times In It/Abbey, Dublin

#### **Michael Coveney**

McGuinness.

It is exhilarating to see this you feel this item has come dramatist in fiercely unbuttoned scalding off the presses.

The second piece, Flesh and some scalding off the presses.

The second piece, Flesh and blood casts the monologuist of Sons of Ulster and the allegorical the first, Gerard McSorley, as complexities of his Caravaggio play. Times In It, a triptych of Noel plans to leave his wife and escape and exile, comprises an elegiac poem for dead terrorists, left his own wife and brood, an Expressionistic slice of acrimonlous family drama, and a joy
Cullen), is a trapped spinster,

With the long forgotten (now we know why) Irish Restoration live among my dead") and lovely comedy St Stephen's Green continuing on the Abbey's main stage, the curtain of the subsiduary Peacock theatre was rung unquenchshle, hermaphroditic down on Saturday night on three superb short new plays by Frank McGuinness.

Airport, in Enniskillen ("Let me live among my dead") and lovely change among my dead") and lovely change among my dead") and lovely comedy the supplications of the subsiduary Peacock theatre was rung unquenchshle, hermaphroditic down on Saturday night on three supplications of the supplications of t

an Expressionistic slice of acrimonious family drama, and a joyfully whacky hid for sexual freedom that begins, irresistibly, Maureen Toal's demanding Alice
with the line "I wonder, did Dana
really find God?"

Unspeakable thoughts are spo-

The first, a seven-minute ken and nobody touches each monologue for a dead man in a other. A skipping rope is leather jacket (Gerard McSorley), exchanged for an axe, and the air takes its litanical cue from the is heavy with filial resentment. sardonic title Feed the Money and Marta considers poisoning the Keep Them Coming. The revenant soup but is thanked only for exchanges, well directed (as is is a ghost-like rock of Gibraltar being ungrateful: "Will you not the monologue) by Caroline Fitzwho cries for burial in Dublin give me a steak when I gave you gerald, McGuinness himself



Maureen Toal in "Flesh and Blood"

After these tense O'Neillian

directs the explosively funny Brides of Ladybag. A gay teacher, Tommy (Peter Holmes), who has lost his job, berates another matriarchal tyrant, Grace (Miss Toal, resplendent in her Carmen costume), for coming too noisily to his public defence. "It was very good of you to set the school

The maternal strings are cut by Vinca (Mr McSorley), an American whom Tommy has knocked off his bike and who proves a more than adequate match to the singing Mom. There is the prospect of a new kind of marriage in the family. And all along. Dad was really Elvis Presley, whose drooling imprecation "Love Me Tender" closes the

be appreciated.

The playing here is delightful, and Miss Toul wrings the sketch of every possible variation on the mother and son dilemma, from unguarded criticism ("There's a streak of me in you I never liked") to contemptuous disclaim ers and fractions, protective con-cern. Lovely stuff, shot through with a baleful Irish melancholy.

Ruders/Elizabeth Hall

#### **Andrew Clements**

And directness of sattlew grants and an Richardson's direction and an Exceptional cast.

The company's performances are piano-accompanied. Praise is urday, urgentiy recommended.

The company's performances are piano-accompanied. Praise is urday, urgentiy recommended.

The company's performances are piano-accompanied. Praise is urday, urgentiy recommended.

The company's performances are piano-accompanied. Praise is urday, urgentiy recommended.

Andrew Clements

leaves soloists, doubling roles and indeed chorus parts (the reduction is accomplished with mature understanding), are led by Virginia Kerr (Jenufa), a lyric soprano of power with natural dignity on stage and luminous personal beauty, Linda McLeod, a Kostelnička to be spoken of in the same breath as Eva Randova, and Paul Strathearn, a coiled spring of a Laca. Colin McKerracher, less experienced on stage, nevertheless has the golden sound needed for Steva.

The company sppears in Brack, neighbor of the series in the series of the series of the music is increasingly make the land of lost content personal beauty, Linda coiled spring of a Laca. Colin McKerracher, less experienced on stage, nevertheless has the golden sound needed for Steva.

The company sppears in Brack, neighbor of case of the series of

too long, but its stark sequence of theatrical gestures and baleful impressive textures linger in the

Its predominantly sombre mood was superficially at least in sharp contrast to the Ruders piece with which Lontano and their conductor Odaline de la Martinez ended the concert, the ·Four Dances in One Movement which he wrote to a London Sinfonietta commission three years ago. Its artful weaving of moods and textures may suggest a different side to the composer, but beneath the springing rhythms there is no genuine lightening of being; the dances are frenzied trying desperately to be happy and to their own ways create just as troubling a musical vision as anything in the concerto.

# **Arts Guide**

June 3-9

#### LONDON

Beana Cotrahas (soprano) with Georg Beana Cotrabas (soprano) with Georg Enescu Chamber Players: Enescu Wigmore Hall (325 2141).(Mon.). Suk Chamber Orchestra from Prague, directed by Josef Suk, violin: Moz-art, Haydn, Janacek and Ilvorak. Barbican Hall (Mon.). (538 8391). Idil Ebret, piano. Cesar Franck. Ravel. Beethoven/Liszt. Wigmore Hall (Wed).

#### **PARIS**

PARIS

Orchéstre National de France, conducted by Rudolf Barshal, Shlomo Montz, violin: Beethoven, (Mon) TMP-Châtelet (42334444).

Claudio Arrau, piano. Beethoven, Liszi (Mon) Salle Pleyel (456 33573).

Shara Cherkassky, recital (Tue) Salle Pleyel (45638573).

Ensemble Orchéstral de Paris, conducted by Jacques Houtmann, Guy Touvon, trumpet: Leiseu, Nikiprovetzky, Haydin, Mendelssohn (Tue) Salle Gaveau (45633331).

Ensemble Vocal Jean-Pierre Lore, Orchéstre Français d'Orziorio conducted by Jean-Pierre Lore, Orchéstre Français d'Orziorio conducted by Jean-Pierre Lore, Salleri (Tue) Saint-Roch Church (42513336).

Barbara Hendricks, Andras Schiff Recital (Wed) Théttre des Champs Elysées (4720637).

Galbeakian Foundation's Choir and Orchestra, conducted by Michel Corbox: Messiah (Wed) TMP-Châtelet (42334444).

boz: 516881an (Wed) 1517-chatelet (4233444). Royal Philarmonic Orchestra, Vladi-mir Ashkenazy, conductor and plano: Mozart, Brahms (Thur) TMP-Châtelet (4233444).

#### FLORENCE

51st Maggio Musicale Florentino, Tea-tro della Fergola, cellist Gustan Lenohardt Bach, Rameau, For-queray and Jrl D'Anglebert (Tue) (2779238).

#### ROME

# Auditorium in via Della Concilia-zione, Kenneth Montgomery con-ducts with Shirley Verrett, Margaret Marshall and Gino Quilico: Mozart, Purcell. (Mon and Tues) (6541044). Oratorio dal Gonfalone I Musici playing works of the Neapolitan and Venetian schools, (Via Del Gonfa-lone 32A), (Thur). (58.75.952).

#### **AMSTERDAM**

Districh Pischer-Dieskau, Concertge-bouw. Accompanied by Hartmut Holl: Schubert (Moo) The Wind Ensemble of the Orchestra of the 18th Century: Mozart (Wed) (712 345).

345).

Beurs van Berlange (Stock Erchange,
Damrak). The Asko Ensemble conducted by Oliver Knussen, with new
works by Simon Bainbridge, Steve
Martland and Knussen, and Colin
Matthews' Suns Dames (27 11 61).

# Walker, Bo & Carmel, Fluts, violin and cello recital: Bach, Telemann and Beethoven (Wed 12.30 Free) Juliliard Concerts at the IBM Gar-den Plaza. 58th & Madison.

**NEW YORK** 

WASHINGTON National Symphony, Mstislav Rostro-povich conducting, with Choral Arts Society of Washington directed by Norman Scribner and Oratorio Soci-ety of Washington directed By Rob-ert Shafer: Mahler (Tue). Kennedy Center Concert Hall (254 3776).

#### CHICAGO

Chicago Symphony, Kurt Masur con-docting: Haydn, Shostakovich (Thur) Orchestra Hall (435 8122).

#### Sponsorship

# The appeal of opera

**Antony Thorncroft** 

By far the most interesting dramatic performance of recent weeks was the debut on Tuesday of the general director of the Royal Opera House, Covent Garden, Mr Jeremy Isaacs. His first public vision of the future was the perfect rejoinder to Sir Peter company prepared to invest Hall's celebrated "coffee table" speech when he led the arts establishment into battle with the Government over its inadequate funding.

Mr Jeremy Isaacs his first programmed campaign to find a company prepared to invest \$1.5m in the museum over the establishment into battle with the Government over its inadequate funding.

Mr Jeremy Isaacs his first programmed campaign to find a company prepared to invest six years. In return they get a link with an institution which believes it is pioneering ahead of its reluctant compenitors.

establishment into battle with the Government over its inade quate funding.

Mr Isaacs basically said that he could not envisage any rise in public subsidy in the foreseeable future, so the arts just had to shift for itself. This meant securing higher box office revenue and more money from individual and corporate sponsors. Between 1983 and 1990 Covent Garden's subsidy would reduce from 55 per cent of its income to 45 per cent. And by 1990 its revenue from sponsors was scheduled to double, to 10 per cent.

Mr Isaacs' views carry weight because Covent Garden is by far the largest arts institution in the UK, with an annual turnover in excess of £20m, and it is also the higgest recipient of sponsorship. It has had its problems raising extra money in recent years but now it has beefed up its marketing force. The first fruits can be revealed: Reed International becomes a first time sponsor, contributing a massive £150,000 to pay for a new production of II.

revealed: Reed International becomes a first time sponsor, contributing a massive £150,000 to pay for a new production of \$\mathbb{R}\$ trovatore. In addition BATS returns with six figure aid for Cosi fan tutte. Another new supporter is the Bond Corporation which put well over £100,000 into Cosi fan tutte. Another new supporter is the Bond Corporation
which put well over £100,000 into
Anna Bolena, which opened last
week. This was the Anstralian
Mafia in action — Alan Bond rallying round Dame Joan Sutherland to her last Covent Garden

Well also have the choice or the
museum's facilities for entertaining clients: the out stations at the
Cabinet War Rooms and HMS
Belfast as well as the main building in Southwork, which was the
old Bedlam asylum. In addition
there is the aeronautical out-staing a Durford, which would be tion at Duxford, which would be

In future sponsors will pay ideal for employee family days.

Of course there is a snag. Linking your company name with an
institution devoted to the history Garden, but, in theory, will gain ing your company name with an more from a livelier house. Some institution devoted to the history of war requires some nerve, even though the Museum will ensure of even less, as the fund raisers in its new buildings that the hordespaired of securing any aid. Now companies will be expected to carry the whole cost of new Borg also realises that while the productions, down to extra rehearsal time. Since Jeremy generously supported hy Japarehearsal time. Since Jeremy generously supported by Japa-Isaacs intends to mount up to ten new productions a season as he completely rebuilds the reper-toire, the task facing Covent Gar-den's marketing department can be sometisted. or just concerned with an accu-More money will be needed rate presentation of a regretably than can be gathered in from the large chunk of the 20th century, sponsorship of productions. In should at least view the skilful the autumn the Opera House will wideo that the museum has pre-

amounce a scheme for corporate pared to sell itself.
friends which is expected to raise an extra £500,000 a year. A range You only have to be mildly cyniof relationships will be offered, cal to suggest that the recent varying in cost from £500 to interest of the brewers in arts £30,000. Covent Garden will sponsorship might have somedoubtless take to heart the expeting to do with the appearance rience of the Royal Academy of a waringsted lights that wanter which launched a similar exer- to restrict drink advertising to cise in April, with much lower save the nation's health — and "admission" charges, and was its footballing reputation. Just as flooded with approaches from the tobacco companies moved companies who recognised a bar-their marketing money into spongain: it must wish it had raised sorship as advertising restrictions on their products took

But it is not only business that effect, so some brewers are making being courted. Arts bodies are ing contingency plans.

Traditionally the brewers have starting to appreciate that there is more personal wealth sloshing hunted the young — hence Harp around. The British Museum, around. The British Museum, lager's support for pop concerts, and the wide range of imaginative Beck beer sponsorships, such as the Glasgow MayFest, trendy private supporters, and Covent Garden is developing a product to appeal to rich individuals who would enjoy being patrons of the would enjoy being patrons of the opera. It is the American way although there are much bigger tax advantages there.

Opera has always arreaded to water by musting the setting the water by musting the water b Opera has always appealed to Ballet Rambert's forthcoming

sponsors, it has created two of the longest love affairs in the season at Sadler's Wells. Now Moosehead, the Canadian business. The Midland Bank's aid for the Covent Garden proms, which over seventeen years has pumped more than film into the Opera House, and Amoco's tenyear support of the Welsh National Opera which, by paying for advertising and marketing, will enable it to present Falstaff at Covent Garden in October.

Now Moosehead, the Canadian export bear, is linking itself with the Bright Young Things - the Cambridge Footlights, to the noney the Footlights can tour this year's show, which opens tonight at the Arts in Cambridge, around the country. Moosehead the Canadian export bear, is linking itself with the Bright Young Things - the Canadian export bear, is linking itself with the Bright Young Things - the Canadian export bear, is linking itself with the Bright Young Things - the Canadian export bear, is linking itself with the Bright Young Things - the Cambridge Footlights, to the Cambridge Footlights, to the cambridge Footlights can tour this year's show, which opens the Cambridge Footlights are the Cambridge Footlights, to the cambridge Footlights can tour this year's show, which opens the Cambridge Footlights can tour this year's show, which opens the Cambridge Footlights can tour this year's show, which opens the Cambridge Footlights can tour this year's show, which opens the Cambridge Footlights can tour this year's show, which opens the Footlights can tour this year's show, which opens the Footlights can tour this year's show, which opens the Footlights can tour this year's show, which opens the Footlights can tour this year's show, which opens the Footlights can tour this year's show, which opens the Footlights can tour this year's show, which opens the Footlights can tour this year's show, which opens the Footlights can tour this year's show, which opens the Footlights can tour this year's show, which opens the Footlights can tour this year's show, which opens the Footlights can tour this year's show, which opens the Footlights can tour this year's show, which opens the Footlights can tour this year's show, whi . The Midland Bank's aid at Covent Garden in October.

But opera has been slower to strong company will become as cash in on its social prestige. famous as John Cleese, Jonathan Lady Primrose Potter is the Miller, or Griff Rhys-Jones, who money raiser for the Australian all died the death appearing in National Ballet which is appearing at Covent Garden this sum.

A more traditional groupescales.

ing at Covent Garden this sum- A more traditional sponsorship ing at Covent Garden this summer. She plans to raise £300,000 formance of The Sleeping Beauty into its local orchestra, the Hallé, on July 26. The dance company For three years Bass supported a gets 60 per cent of this, but there Hallé concert in Leeds, where it is over £100,000 coming to the has its head office. Now another Royal Opera House Development five concerts are being added to Fund. The Australian Establishment, which is paying up to £1,000 a ticket, must be glad that

#### Saleroom/Antony Thorncroft King Billy memento

King William III is not held in for Gwen John, the sister of great reverence by the Irish, at Angustus. In recent years, least not by those living south of dragged along by the feminist the border, so Christle'a has something of a rarity on its have attracted more acclaim than hands topportow when it is offer.

at Covent Garden in October.

On Friday Christie's should

hands tomorrow when it is offering a "Williamite" glass probably made in Dublin around 1720.

These glasses, engraved with portraits of the King and Queen Mary were made to compare the compared to sell for up to £90,000. In contrast some portraits by Mary, were made to commemorate the Glorious Revolution of trait; one of Dorella, his wife; and In contrast some portraits by

rate the Giornala nevolution of 1688. This example, trumpet-shaped and unusually large, is another of Poppet, his daughter, are not expected to make more the only irish-made goblet known than 18,000 each. Also in the sale to have survived and a price of of modern British pictures, which starts on Thursday, is a scene by the Camden Town artist Spencer establish a new auction record Gore of the Alhambra Music Hall

# Have your F.T. hand delivered in Switzerland

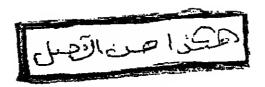
If you work in the business centre of BAAR, BASEL, BERNE, GENEVA, LAUSANNE, LUGANO, LUZERN, ST GALLEN, ZUG. ZURICH or WINTERTHUR — gain the edge over your competitors. Have the Financial Times hand delivered to your office at no extra charge and you will be fully briefed and alert to all the issues that affect your market and your business.

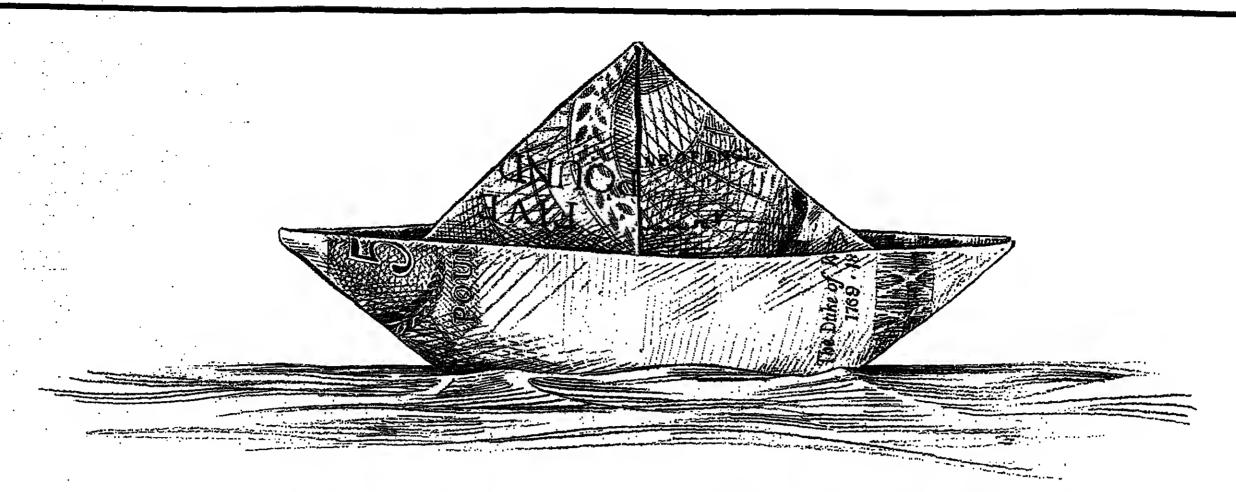
# 12 FREE ISSUES

When you take out your first subscription to the F.T., we'll send you 12 issues free. Then see for yourself why William Ungeheuer. Time magazine's senior financial correspondent, describes us as "the paper with the best coverage of international finance."

> Geneva (022) 311604 And ask Peter Lancaster for details.

> > **FINANCIAL TIMES**





# JERSEY-BASED INVESTMENT IS PLAIN SAILING WITH THE HALIFAX.

Halifax Building Society has set up a simple but effective investment opportunity in the prestigious Channel Isle of Jersey.

It's called HALIFAX DEPOSIT INTERNATIONAL.

This means that because you are an investor not ordinarily resident in the UK, the Halifax can pay you interest with no tax deducted.

The investment opportunities available start from £1,000 with the top interest rate for £50,000 and over. Your money starts earning straight away and you can have instant access without any loss of interest.

It's just the kind of investment package people have come to expect from the World's biggest building society with over £30 billion assets and over 12 million private investors.

With Halifax Building Society you combine competitive interest together with maximum security.

If you would like more details about our Jersey investment then send in the coupon below now.

You'll find it's well worth investing the time to do so.

Name	Title
Address	
C	
Country	
Nationality	
Nationality	001/005/01
Nationality	001/005/01
Nationality	DE JOSE DE LA LICATION DE LA LICATIO
Nationality	HALIFAX

Halifax Building Society, International Investment Unit, Ingouville House, Ingouville Lane, St Helier, Jersey, Channel Islands. Copies of the last audited accounts are available on request Railfax Building Society is incorporated in Halifax, G.R.

#### **FINANCIAL TIMES**

BRACKEN HOUSE, CANNON STREET, LONDON EC4 P48Y Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Monday June 6 1988

# Creating a new **Opposition**

A NEW PATTERN of opposition of unilateral nuclear disarmato Britain's Conservative Government is beginning to emerge. It is too soon to judge whether this summer's leadership elections and accompanying changes of policy in the Labour Party or the selection of a leader for the new Social and Liberal Democratic Party will give either faction sufficient impetus for success. Yet it is already clear that both parties are struggling to find a platform that includes support for the market economy as well as a commitment to social welfare. Or David Owen has yet to dem-onstrate that his "continuing" Social Democratic Party has the potential for expansion into a sig-nificant political force.)

Under Mr Neil Kinnock the Labour Party has already moved a considerable distance from its 1979-87 position on the far Left of British politics. It has virtually abandoned its famous "Clause 4", with its commitment to the national ownership of the means of production, ft is now speaking of regulations and controls rather than the direct management of vast enterprises by state bureancracies. It no longer proposes to squeeze the rich until the pips squeak - it is looking to a restoration of the top rate of income tax to somewhere around the 60 per cent that prevailed until April 5 this year. It still speaks for producers, but now also voices concern for consumers, It has at long last accepted the reality of Britain's membership of the European Community.

#### Key areas

These statements of principle take Labour some way towards its immediate objective, which is to rid itself of unpopular policies, so that it stands a chance of winning an election if the Government falters. If Mr Kinnock wins a decisive victory over Mr Tony Benn in the leadership contest the public will receive yet another message to the effect that the Labour Left has been

eclipsed.
Yet unpopular policies remain, particularly in two key areas. First, the party's relations with the trade unions are anachronis-tic. While it is seen to be in the unions' thrall the likelihood of its return to power will remain low.

ment, consideration of which has been put off for at least another been put off for at least another year, is not credible. Yet here a slow approach to the policy review is understandable while so many questions are being raised by the steady improvement of relations between the Soviet Union and the United States. More questions will follow if Mr Michael Dukakis becomes the next US President and the nuclear stance of the West is re-

The upshot is that it will be some time before Labour is ready to move to its most optimistic objectiva, which is to offer a set of policies that would be intrinsically more attractive than those offered by a Conservative Gov-ernment that entered the next election looking both successful and in good form.

#### Defence policy

Meanwhile the Democrats are reparing to do precisely that. With the important exception of defence policy they have little of the vote-repelling baggage car-ried by Mr Kinnock. Their first task is to elect a new leader. The two serious candidates are Mr Alan Beith and Mr Paddy Asbdown. The latter is thought to look better on television; the former has the longer political pedigree. On grounds of appearance, which are of some importance in modern politics, Mr Ashdown is probably the better choice although it remains to be seen wbether he can articulate a coherent social-democratic phi-losophy in a way that the previ-ous Liberal leader, Mr David Steel, failed to do.

The Conservatives would he mistaken to view all this as a no-lose situation. It is true that if the Democrats do badly many of their supporters will move over to the Tory camp where it counts, in the Midlands and South. It is also the case that if they do well, the Opposition as a whole will become more divided. But the Tory position would be weakened if the economy took a sharp turn for the worse. And in the long run a widely-supported opposition party with a policy no further from the Conservatives than US Democrats are from US Republicans would stand a

# **Backward steps** in Singapore

THE ISLAND state of Singapore ingly hostile attitudes to the foris one the world's more remarkabie post-war successes. Its achievement owes much to the vision and single-minded drive of one man, together with the disci-plined hard work of a multi-ethnic hut predominantly Chinese population now numbering 2.6m people. Mr Lee Kuan Yew, leader of Singapore since 1959, has generally been one of Asia's more paternalistic, if severe, leaders. It is regrettable to see him becoming less rather than more benign as be prepares for the succession to his long tenure as Prime Min-

During the past 18 months Mr Lee's government has acted in ways which suggest it is becom-ing over-sensitive to criticism and insecure. Harsh crackdowns on both the foreign press and domestic political opposition have combined to give Singapore a repressive image abroad. Mr Lee's message to the younger laaders awaiting his mantie seems to be that only very tough government indeed can protect Singapore from political forces that might undermine its

achievements. This nervous introspection has had wider ramifications, the most serious being a rift with the US, Mr Lee's staunchest friend and ally. The First Secretary at the US Embassy in Singapore was expelled last month for allegedly interfering in Singapore's inter-nal affairs; he is said to have encouraged some individuals to "have a go" and stand in the next general election. The US expelled his Singaporean counter-part from Washington on a tit-for-tat

#### Related incident

Mr Lee backed off a little last week, suggesting an independent week, suggesting an independent tribunal to examine the com-plaint against the US. However, the US is unlikely to agree and this may provoke more anti-US feeling in Singapore.

In a related incident Mr Fran-

cis Seow, a former Solicitor Gen-eral and former President of the Law Society, was detained "for purposes of investigation into for-eign interference in Singapore's internal affairs" and his finances are being examined, apparently to check for any US or other for-

cal opposition and the increas- Singapore.

eign press are intertwined issues in Singapore. All appear to stem from an intolerance of criticism and fear of alternative viewpoints.

Four foreign publications have had their circulations cut drastically under the draconian powers of the Newspaper and Printing Presses Act. This allows restric tion of sales or distribution of foreign publications which have been declared as having engaged in the domestic politics of Singa-pore. The four are Time, Asiaweek, the Far Eastern Economic Review and the Asian Wall Street

#### Foreign press

Mr Lee stated his view of the foreign press unequivocally in a speech to the American Society of Newspaper Editors in Wash-ington last month: "Circulation in Singapore is a privilege granted by the Singapore Govern-ment on our terms. The terms are that they should report as outsiders for outsiders, i.e. do not become a partisan in our domestic debate. If they do not want to accept these conditions they do not have to sell in Singapore." The problem with this is that

the Government has taken on legitimate interest to the foreign press. This cannot be reconciled with Singapore's democratic cre-dentials and it is difficult to accept that it is in Singaporeans' own best interests to be restricted to "insiders" views about their country. It is particularly inappropriate for a country with a highly educated population and an economic profile based on an outward looking business and financial commn-

nity.
There is an imbalance between There is an imbalance between Singapore's open economy and a restrictive political climate. The prime minister clearly sees Singapore as a delicately balanced society which still needs careful nurturing and strong central guidance. But the country could better improve its resilience by reducing rather than increasing reducing rather than increasing the protective layers. Attempts to suppress the free flow of informa-tion, opinions and political dissent tend eventually to generate explosive internal pressures for change which, if not satisfied, The unhappiness about politicould cause serious damage to

#### The European Market

# Ploughing a furrow to 1992

"WE WANT IT to bappen, it needs to happen. But will it? Opening up the market in 1992? We think it's going to take a lot longer than that. Hell, we know it's going to take longer than that."

Mr Dick Seagrave barbonrs many of the misgivings of fellow Americans about the willingness national barriers to free trade in time for the European Commu-

nity's target date. He is in a better position than most to take a swipe at the Euro-peans. As manufacturing vice president in Europe for JI Case, the big US farm tractor maker, be endures every day of the working week the difficulties of producing machinery for a frac-

producing machinery for a frac-tured European market.

The case of the humble farm tractor epitomises tha quagmire of separate specifications, national legislative codes and rules which divide Europe, even for makers of a vehicle whose basic design has not changed for

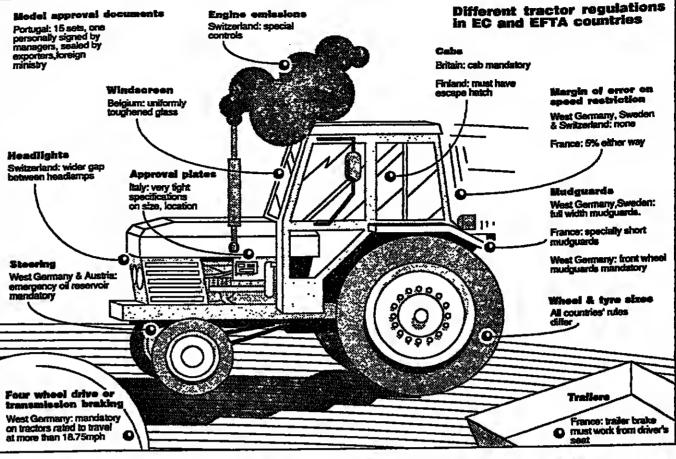
Discussions under way to make it easier to sell this workhorse across national frontiers also underline the complications and resistance to change that must be faced. Few managers in the industry doubt that in four years' time tha European market will still be hampered by man-made constraints to free trade.

Things will be a lot better by then, but f cannot envisage that in 1992 everything will be sweet-ness and light because it won't be," says Mr Vic Greaves, techni-cal legislation and engineering standards manager in Europe for Massey-Ferguson, the Canadian farm equipment company. "What f can say is that, as we go into the 21st century, one would hope to see barriers really removed." Mr Greaves should know what he is talking about. The company he works for, like its competitor, Case, has centred most of the worldwide manufacturing capanies hased in the UK, rotu, manufacturing capanies hased in the UK, rotu, manufacturing capanies hased in the UK, rotu, manufacturing capanies and Case — have a relatively broad geographic spread of sales. Others, including some large products are much more dependent. Case, has centred most of its three big North American compamittee of the European farm machinery manufacturers associ-

Some in the industry are not as caustic as Mr Seagrave. Progress has been made so far on half a dozen new EC directives related to the tractor market and many banding, the engine, transmis-existing differences are being sion and chassis of a tractor is resolved. But problems are pretty well acceptable across already looming.

han 18.75 mph, which are becom-There is talk of giving newer ones for operator seats, wind-members like Portugal dispensation for several years until they walls of extra requirements of the control of t can come to terms with the have been erected over the years before I came to Europe," says changes. The West Germans are by national governments under Mr Seagrave. showing signs of wanting to pressure from indiginous tractor. A few examples of the control of the

Then there are the lawyers. There will be struggles on the interpretation of directives after 1992," says Mr Greaves. "Some will try it on. There will be test cases after the date."



Some 50 or so manufacturers are scrambling for a slice of the European market in which 200,000 tractors are sold every year. About 25 mainstream manufacturers and a gaggle of lesser names (there are 12 tractor pro-ducers in Spain alone) have manufacturing sites in Western

Some producers - like the ducers, are much more depen-dent on individual markets. Fiat, for example has 45 per cent of the Italian market and 18 per cent of the French market hut much lower penetration elsewhere.

For any given horsepower Europe. This is mainly because a One type of tractor - those series of minimum standards has capable of travelling at more been in force across the EC for a long time. They range from those ing increasingly common in covering engine noise, steering, Europe – is actually excluded maximum weights, braking capa-from the detailed directives. bilities and exhaust emissions to

retain some of their specific engineering requirements, which bitterly competitive and satuthey claim are safety features but rated market. West Germany, everywhere covers 60 per cent of the tree width for the tree width f tor makers, Deutz, Fendt and road. But West Germany and Mercedes, has prohably more Sweden require full width cover-

where else. these barriers across Europe is also requires them on tractors that it is difficult for some pro-

ducers to manufacture a tractor that will sell in more than two or three of Western Europe's 17 or so national markets without significant engineering alterations. Massey says that if you take just seven of these national markets in and outside the EC - the UK, France, West Germany, Austria, Sweden, Finland and Switzerland - at least 34 special

Europe can do, at a pinch, with open safety frames. requirements are in place. A study by Massey in the early 1980s showed that the cost to the company of gaining type approval in France for one range of 20 tractor models was £300,000. Ail these extra national

ened" or laminated glass is accepted by everyone for wind-screen glass on vehicles that do not exceed 20 mph. Everyone, that is, except the Belgians who demand glass that is "uniformly Headlights are no problem, requirements must be met before unless you are selling in Switzer-In the first of a series of

background articles on the EC's move to a single market in 1992, Nick Garnett explains the doubts of tractor manufacturers

or given type approval. "I had not ally wider gap between the head-really heard of homologation lights, which results in soma

"special" requirements than any- ing. West Germany alone where else. requires front wheel mudguards
A mark of the significance of for all tractors, though Austria

tractor makers having to replace their standard rectangular headlights with round ones. The Swiss also have special emission control regulations.

France requests exceptionally

short mudguards.

Tractors for sale in West Ger-

many and Austria must have an

emergency oil reservoir for the steering system. Britain requires

cabs on all tractors; the rest of

What is known as "zone tough-

All tractors sold in West Germany which are rated to travel at 18.75 mph or more must be fitted with four-wheel drive or transmission braking.

All markets have their own variations in wheel and tyre sizes and configurations, front and rear, partly to cope with different approved by the Foreign Office in the supplier country.

A mark of how tortuous early discussions have been on har-monisation is that a series of more than 20 directives on trac-tors in 1974 have yet to be fully agreed and implemented. The common standard of having the first step of the cab set at 21 inches from the ground took about nine years to introduce. The French had to be threatened with legal action before agreeing to a common standard for the driver's seat.

Massey's Mr Greaves says progress is being made on break-ing down the remaining barriers. Most of the separate national design requirements will, indeed, be abandoned, if not by the end of 1992, then a year or so later. But that success would still leave a number of issues unclear. High speed tractors, which are

widespread in West Germany, are not included in the specific directives though they will be in a general machinery directive. Tractor makers disagree about how tight this will be.

Some producers, for example, believe that the West Germans, or anyone else manufacturing these tractors, will still be free to require special features - including those German mudguards -long after 1992.

Then there is the question of what happens if the market does open up quickly and an important national producer takes an immediate beating. Flat, with its dominant position in Italy and therefore with a lot to lose. stresses that it is as committed as

laws on speeds for the open road

Tractors in Switzerland must

not be able to travel faster than 15 mph. In the Netherlands you

can drive at more than 25 mph.

The Germans, Swiss and Swedes

allow no margin of error for trac-tor makers in restricting the

design speed of their models. The

French give manufacturers a lee-

way of 5 per cent either way. On the other hand, if you are fitting

a trailer in France, the tractor must be capable of braking the trailer from the driving seat.

The Italians have a number of

specification differences, and

have to be stamped, for example, to show that emission require-

there must have a roof-mounted

with homologation is nowhere near as awkward as it is for some

export markets. Selling a West-ern-made tractor model to the Japanese requires up to a year of

homologation testing and paper-

supply microfilm of every compo-

of suspicion about copying.

nent, leading to the usual welter

test requirements are the same across Europe, there are big diff

ferences in red tape. The Portu-

guese seem to eat documents. A new model there must come with

15 sets of approval papers and one set must be personally signed

managers, then sealed and

by the manufacturing com

However, although many of the

Paperwork in Europe that goes

ments have been met.

escape hatch.

anyone to an open market.
Other producers are in a similar position. "Supposing Renault starts to get eaten alive. Do you think the French Government will sit back and do nothing?" says one marketing director.

"Maybe it will, maybe it won't." One thing everyone knows is that national cultural differences which affect even the dour busi-ness of farming will still have to be catered for by the tractor mak-

seem very finicky about where plates carrying approval stamps are placed. Exhaust silencers Such differences range from the heavier duty axles required by smaller tractors operating on the tiny farms of France and Italy to the passenger seat so heloved by German farmers but banned in the UK. No legislation Meanwhile the Finns do not rate highly their own perfor-mance as escapologists; tractors can abolish these differences.

Subsequent articles in The European Market series will run on Mondays on the Overseas News pages of the FT.

#### TRACTOR MARKET 1986 Western Europe 9.6 8.8

SAMVL amb

4.1

#### Oxford's eyes on Turner

Oxford University pulled out opment of cahle television he all the stops for the visit of Ted might become. all the stops for the visit of Tengardiner, the American cable television magnate, on Friday. There was a specially arranged symposium on the environment at the School of Geography and another on changes in Eastern Europe and the Soviet Union at St Antony's: lunch at Christ Church and dinner at All Sonis. and dinner at All Souls.

"It's like having the Queen coming," said one of the organisers in advance. Turner saemed a bit hazy about it in London on Saturday.

He remembered Sir Roger Bannister, now the Master of Pemhister, now the Master of Pem-broke College, largely because of his athletic achievements, and "that philosophy feller at lunch", who must have been Sir Isaiah Berlin. Much of Saturday was spent on

the more familiar ground of the Pinewood Studios where Turner's television interests are filming A Man for All Seasons and Turner met Sir John Gielgud. Conversation at the Dorchester

in the evening was punctuated by pauses to listen to the planist. "You know that music?" Turner says. It was A Kiss is just a Kiss. "It's from Casablanca, one of our movies, you ought to know that." A bit more talk, then: "You know that one?" It's the theme from Dr Zhivago. "That's one of ours as well. You think i came down bere and paid the man a pound just to play them. It's not like that. how much he owes. Today Turner has renounced debt. He wants money to spend. "I want to buy the world. I want to buy the Financial Times, the Wall Street Journal, hotels, airlines, everything." Then, more modestly, be adds: "For the time being, I just want to be tha greatest communi-

cator," which through the devel-

# *OBSERVER*

might become. About 10 years ago Turner says that he became a convert to the need to protect the environment above all else and to abolish nnclear weapons. On both sub-jects he talks in passionate clichés riddled with numbers like: "It would take one tenth of tha US military budget to elimi-nate famine in Africa."

And that in a way was what Turner was doing at Oxford. The University invited him to show that it was following Margaret Thatcher's advice that academics should consort more with industrialists. "He came right out with it," said one of the organisers, "and told tha environmentalists and geographers that we're prac-tically dead right now unless we do something about the preserva-tion of tha planet. Turner is doing what the academics are thinking.

Late Sundays

■ The Sunday newspapers in my part of London are delivered later and later, no doubt because they have become so heavy to carry that the boys have to keep going back for more. It would make sense if they

were more widely available on Saturday evenings. The stand by Charing Cross station does a roaring trade, but there are pre-cious few others around. Some-body is not being very enterpris-

Inscrutable sale

■ The site of Sotheby'a auction in Peking yesterday is traditionally known as the Hall of Ancestors. all-powerful.

The communist name for the building is the Workers' Cultural Palace, so it bears a large slogan noting that the emperors have of art. fallen and the workers are The workers seemed pretty flummoxed as about 250 foreign-

OFFICE 

"We won't deal with terrorists but we'll talk to estate agents." osities, including 200-year-old cognac and a set of champagne bottles engraved with scenes of the Great Wall, which along with Venice, was a beneficiary of the

charity auction.

The big money was spent by a Japanese clothing queen, Haruko Takaku, who paid \$64,000 for Hommage, a montage of Chinese flags and pins, finished off with a few strokes of grey crayon by the French artist, Cesar. Sotheby's was nervous about the possible Chinese reaction to the possible best known name from the past. Fictionally there is Crocodile no offence was taken no offence was taken.

A jng painted on a jug by Picasso fetched \$15,400, and The Great Wall of China, a white can-

Most Chinese lack the money to purchase such objects, and many more lack the taste for the modern, western interpretation

vas with three apparently signifi-cant but sparse lines drawn by

anothar French artist, raised

Great Wall," said a Chinese jour-nalist sent to cover the auction. lovingly prepared for potential flummoxed as about 250 foreigners bid for a range of Chinese and imported works, plus a few curiastounded by the prices paid for is on Essex.

works that seemed to him frivolous.

After the bidding the foreigners lunched in the courtyard of tha Workera' Cultural Palace. One woman noted: "It's just like The Last Emperor," a reference to the award-winning movie. Another said: "We all know they

Letter from Perth ■ Ron Davies, the Agent General of Western Australia, is looking for bits and pieces which may have some bearing on the territory's heritage.

The problem with Western Australia, he explained, is that it is so big — 10 times the size of the UK — yet has a population of only 1.5m, most of whom have not been there very long. In 1848, 20 years after the state was founded the population was 4.532 founded, the population was 4,622 and it did not go up much until the gold rush of the early 1900s.

A lot of people came and went over the years, particularly from Britain, and correspondence between settlers and their British relatives could belp historians. Even an old postcard from Perth might not come amiss. Nobody very famous has come

rom Western Australia apart from Rolf Harris, the entertainer. John Forrest, the explorer and the state's first premier, is the Dundee. Dennis Lillee, the crick-eter, is also Western Australian, but at present in England and not yet ready for a museum.

Anyone who has a memento could get in touch with Davies at Western Australia House, 115 Strand, London WC2R OAJ.

Wild county

■ The Financial Times is propos "That doesn't look like the ing to publish a survey on sex on

Icxues, work Clothes, Fabrics, Household Goods, Tools, Wickerware, Jewellery, C. Colo D. AMK Berlin | Suzas, Tavel Goods, Cullery, Inclustrial Goods, Galar, Guarantas Guarantas, Suzas, Hope Goods, Cullery, Inclustrial Good, Galar, Guarantas Guarantas, Haberdashery, Yams, Overhood Drapes, Woven Goods, Pharmace Kenya, Korea, Lebanon, Malawi Malaysia, Mah, Malta, Maurius, Mexico, Morocco, Umbrellas and Parasols, Kintwar, Fancy Goods, Andrues, Wickerware, Clocks, Nicaregua, Niger Pakustan, Papua New Gumea, Paraguay, Peru, Philippines, Ruanda, Wool, Rubber Goods, Toilemes, Docor, Goods, Cusmanes, Lungal, Fancy, Somelia, St. L. L. Goods, Cusmanes, Lungal, Fancy, Somelia, St. L. L. Goods, Cusmanes, Lungal, Fancy, Somelia, St. L. L. Goods, Cusmanes, Lungal, Fancy, Goods, Cusmanes, Fancy, Goods, don't want to be communist aware jewellery. Carpets mala. Gunee Hain Hong v. Industrial Goods. Raw woon. Malawi. Melsy-Pharmasceuticals ustan. Papua New :. Clocks. Shoes natus. Sri Lanka uen. Wood Pri-Costumo Jewellury Cypt El Salvador ...in order to sell well **26th Overseas Import Fair Berlin** 

"Partners for Progress" Aug. 31—Sept. 3, 1988 (Test Sale/Public Section - Sept. 4, 1988)

AMK Berlin Company for Exhibitions, Fairs and Congresses Messedamm 22, D-1000 Berlin 19, Phone: (030) 30 38-0 Telex 182 908 amkb d. Telefax: (030) 30 38 23 25, Bb; • 30381 =

1	Overseas Import Fair
i	Name
i	
:	Company
1	
ı	Address
-	

IN THE early 1980s the Accra slum known as Nima 441 was arguably the grimmest five acres on the African continent.

A shanty town of corrugated iron and dismembered packing cases, Nima 441 was an overcown. ded home to 35,000 people - the poorest of the urban poor in a country than teetering on the brink of economic collapse. Conditions were inhuman. The

area'a winding, unpaved alleys were undrained sewers. Education, health care and sanitation were non-existent. There was no piped water or electricity, severe malnutrition and disease were rife, infant death was common-place and kniffings hetween neighbours banal events.

This same shanty town exists today. It is still inhabited by the same people. But it has under-gone a big change. The alleys are still unpayed, but are now clean and swept daily. There are well maintained latrines, and rubbish is hauled away regularly. Electricity and water standpipes are no longer reserved for others. Medical care and drugs are distributed at a new health clinic and children are going to newly

as well as showing how to earn per cent a year.

money through dressmaking, bread baking and other cottage industries. At the Nima 441 Workshop, unemployed men are learning such remunerative skills wide, more than 60 per cent of the control of th as carpentry, masonry and weld-

control of the same of the sam

in established

mand to make the control of the cont

COMMENSATION OF THE PROPERTY O

the same

Carlo ber

V 15 3

China Supplier

25 · 5 Piggs

1 127.4

State of the state

en kirmel

di tanya

i it itm

MARKET

Eurece

2 2 3 T

jeas

Hill

Andrawiii

N. W. 274

The higgest changes of all, however, are in the attitudes of the people. While the Ghanaian Government has provided the technical services of its doctors, teachers and social workers, and rumerous aid donors are provid-ing funding for materials, the energy and work that has gone into reviving the community is all the inhabitants'.

A combination of self-help, state institutional support and foreign financing, the social activities of Nima 441 are typical of the best work being under-taken through Ghana's recently launched Programme of Action to Mitigate the Social Costs of Adjustment, known as Pamscad. The first large-scale initiative of its type anywhere, Pamscad is regarded as a test case and forms the focus of considerable attention in the aid and development

The social conditions of Nima 441 in the early 1980s exemplify - though in extreme form - the overall state of a nation which had ground to a virtual halt. Chana was a relatively prosper-ous country and the world's largest producer of cocoa in the 1960s. By the beginning of the following decade, it had embarked on a long slide to cri-

Nicholas Woodsworth on Ghana's efforts to alleviate poverty

# Finding a way to ease austerity

tributed at a new health clinic ita income declined by 30 per and children are going to newly opened schools.

A women's programme is 52 per cent and inflation teaching nutrition and child care, increased at an average rate of 44

Those least able to adjust to account the school of the immediate effects of the immediate

Behind these indicators was three groups:

the human cost. The United Prural households — a high Nations Children's Fund (Unicef) estimated in 1983 that, nationwide, more than 60 per cent of and hardship; the population was below the absolute poverty line. The average child was receiving less than 70 per cent of its minimum nutri
terms and three groups:

three g

the country for jobs elsewhere during the years of decline and the 10m who remained suffered high rates of unemployment, which has become deeply chronic food scarcities and a lack involved in promoting what it of basic services. Ghana's current calls "adjustment with a human minimum wage is 76 US cents a face", decided in late 1987 on the day. In the early 1980s, it was well under half that sum.

In 1983 the newly constituted structural adjustment.
government of Flight-Lieutenant Initially the World Bank, upon Jerry Rawlings, determined to which the success of Ghana's eco-halt the decline, introduced a nomic programme largely wide-ranging economic recovery depends, would have little to do programme that saw a gradual with the Pamscad proposals. programme that saw a gradual with the Pamscad proposals. According to Accra-based Unicef hilisation and recovery programmes were followed in 1986 by major efforts at attractions.

interalisation, export incentives, other donors at a Pamscad contartiff and tax revisions, and the ference held in Geneva last rebencouragement of domestic and ruary that the Bank, in the words foreign investment are all part of one aid agency official in this process. By adopting World Accra, was "morally shamed" Bank and IMF-based formulae for into supporting the programme. Third World development, Ghana At the conference, Ghana in macro-economic terms at requested \$83.9m from a wide least a seems to be on the read range of multipletral and bilate.

By the time Ghana was well A highly overvalued currency and imprudent economic policies led to the encouragement of high

levels of consumption, importa-tion and informal trading activi-already abysmally low standards ties. Production, exports, savings and investment, on the other hand, were all inhibited.

Between 1970 and 1962, per cap-tite income declined by 30 per deciment have shown less the

adjustment in Ghana include three groups:

• rural households - a high

tional needs. • retrenched private sector

More than 2m Ghanaians left workers, civil servants and state sector employees.

After much co-ordinated study, the Government and Unicef,

by major efforts at structural with \$160m credit were having adjustment, backed by Western funding.

Currency devaluation, trade liberalisation, export incentives, other donors at a Pamscad contenting and tax revisions, and the ference held in Geneva last February that the Beach in the medians of domestic and property of domestic and property that the Beach in the medians of the second property of domestic and property and propert

least - seems to be on the road range of multilateral and bilat-to recovery. won pledges worth more than

sites. Instead, opposing armies

to both inflation and career.



social palliatives, but are Force, which co-ordinates Pam-

sections of the population cannot vices. This includes a major pro-contribute to Ghana's develop-ment because they are economi-cally paralysed," he says, "then projects in healthcare, nutrition the entire adjustment process and housing.

detrimental effects on employment patterns, raises consumer prices and diminishes standards programmes concentrate on three main areas of activity; employment generation, community initiative projects and the satisfaction of primary needs.

committed to laying off 65,000 civil servants, teachers and state sector employees. Consequently Pamscad will make its largest -allocations – more than \$30m – to redeployment projects and the creation of 40,000 jobs. Other programmes range from "food for work" projects in hungry rural and urban areas, through job creation for women, to credit schemes for small farmers.

Community initiative projects and the response from the donor community was tremendous.

Finally, the Social Sector Task scad's greatest challenge."

regarded as integral parts of an scad projects, plans to spend overall economic plan. "If large \$22m on health and basic ser-

Based on the premise that structural adjustment has had a calls to be assigned the task of snpervising the social components of structural adjustment, the Bank is gradually coming to

future structural adjustment Seeduce marginal rates. Unemployment is already a key issue in Ghana. In the next three years, the Government is happens here will have a direct influence on the way the Bank regards the human and social dimensions of structural adjustment in other countries in the

Community initiative projects are hased on the support of self-help groups such as those at Nima 441. Many of these groups existed previously. Government support for the programme is waning. Ghana's concern for its poor must remain the response from the notes. them identify and implement genuine and not become a matter their own schemes to improve of simple political expediency. local infrastructure. Avoiding that trap is now Pam-

A Conservative government, if it has the courage, is in a good position to remove imposts, such as 98 per cent marginal rates on

Leave people more of their

own money.

tions - that is, promote neutral-

reliefs with a defined economic purpose,
The author himself refutes the first claim near the end of the pamphlet where he admits: "Taxes and National Insurance

office." On the second claim, one can award Mr Lawson high marks for slashing top rates, which even that severe critic of government fiscal strategy, Professor John Kay, accepts served no useful purpose and probably did far more harm than the economic models could easily identify.

Lombard

# Tax reform within strict limits

By Samuel Brittan

25 per cent. But National Insur-

taxes are all deductions from

each extra pound earned and spent. An estimate by the Insti-tute of Fiscal Studies suggests

that the true marginal rate for a

single earner couple with two children was nearly 51 per cent in 1979 and was the same in 1987 after having risen in the intervening years. After the 1988 Budget it might be 40 per cent for 2

get it might be 49 per cent. For a single earner the shift has proba-bly been from 59 per cent in 1979

to 58 per cent today.
The best way to make inroads

into these high effective rates, given public spending trends and accepting the need to exempt the

first slice of income from tax, would be to phase out those much loved reliefs such as mort-

Lawson's regime has

by fits of enthusiasm

followed by apparent

gage interest relief, pension fund privileges, the huge VAT exemp-tions and farm reliefs. Not having heen able to do this, the Chancellor Is well aware

that his section on tax neutrality

is his weakest. As he puts it: "To some extent we have levelled up

and to some extent levelled down." He adds that the "level playing field fanatic" — who

might have been influenced by

the early pages of his pamphlet
- will be disappointed.
It is in the fourth aim, specific changes to further economic

objectives, that Mr Lawson can

make his strongest case. The 1985 Budget reduced National Insur-ance contributions for the lowest

earners. The 1987 Budget intro-duced reliefs for profit-related

More important than either has

been characterised

loss of interest

HAVE ALWAYS found it difficult to become enthusiastic about variations in the way that two fifths of our incomes are removed by the tax collector to finance collective expenditure. Most of the distortions, disin-

centives and anomalies which make the extraction more damaging than it need be are an aspect of the wider problem of interest group privileges, rather than due to lack of technical enlighten-

as so per cent marginal rates on investment incomes, which hring in no revenue and are motivated mainly by envy disguised as fair-ness. It is different with distor-tions which have middle class support and the Prime Minister herself as their most entranched herself as their most entrenched

The Chancellor, Mr Nigel Law-son, has tried very hard in a new pamphlet\* to find a consistent pattern in the changes he and his predecessor, Sir Geoffrey Howe, ave nevertheless managed to

He could have made a better case if he had not started with four high-sounding aims, which invite ironical response. These aims are to:

• Provide, nevertheless, some

contributions still amount to a higher proportion of national income than when we first took

But for the broad mass of tax-payers there has been less change. The Chancellor makes

the common mistake of consider-

ing only the basic rate of income take from the taxation of employ-tax, which has fallen from 33 to ment to the taxation of profits. Within company taxation, the ance Contributions (for hoth shift from investment reliefs to employers and employees), val-ue-added tax and other indirect an unmixed blessing.

Even in the employment-pro moting field, the Lawson regime has been characterised by fits of enthusiasm followed by apparent loss of interest. The National Insurance reliefs have never been followed through and extended. Profit-related pay has been mar-ginalised and left to junior minis-

There has been quite an extensive hitz on the second-order tax breaks. There are, for instance, much higher taxes on company cars, loss of relief for home improvement and limits on the tax-free surpluses of pension The absence of tahular quanti-

fication of the effects of these and other changes is a weakness in the pamphlet. A better if less ambitious case could have been made if there had been a table made it incre has been a table showing how revenue was raised in 1979 and today. It is impossible to imagine the Bank of England issuing a fiscal or monetary anal-

ysis without a single table.

Weaknesses of presentation shade into policy weaknesses. Analysis of tax at the lower end is meaningless without bringing in social security and the high marginal rates resulting from their interaction. There is not a word about rates, which are to be replaced at the Prime Minister's behest hy the vast new distortion of the poll tax. And if the Common Agricultural Policy is not a tax on food prices, I do not know

The Lawson tax measures, hy removing a lot of poisonous undergrowth, have provided a foundation for future reforms, such as relating tax to social security, dealing properly with housing and land (after the departure of Mrs Thatcher), and so on. Mr Lawson will be remembered for his economic manager. bered for his economic manage-ment and for his fiscal courage. Tax reform in the strict sense probably requires a higher bore-dom threshold than he has and a greater preparedness to threaten

More important than either has been the general shift of 4 per-centage points of the total tax Centre, London SWIP 3HH, £1.75

#### Suitable case Letters to the Editor for Esop\*\*

From Mr Malcolm Huriston. Sir, You have said that the employees of Rowntree should have a say in the future of their company. There is one effective way: through an employee share ownership plan (Esop). A small number of companies

in the UK have aircady established Esops, in which a percentage of the shares is held in trust for the benefit of present and future employees. The Esop is simultaneously both a tax-efficient vehicle for raising or realis-ing capital and a method of giv-ing employees a capital stake.

in the US some 17 states now give support to the establishment of Esops because they help to anchor businesses in the locality. In this way, without being in any way a show-stopping poison pill, Esops with more than 10 per cent of the equity make predators think twice.

The interests of the employees, and of the locality, are more fairly represented where there is a firm collective mechanism for expressing their views. Malcolm Hurlston, 2 Ridgmount Street, WC1

#### Weak witness of a name

From Mrs Jean Denton. Sir, I have always found your paper's information valuable until May 27, when I was amazed to read in your Appointments col-mm, describing Mary Baker's election to the Prudential board, that she was "the first woman

Are we to expect information such as "first director from north of Watford," "first director under 35," and so on? None of these will need to appear often. Do any of them need to appear at all? Jean Denton,

Black Country Development Cor-Rounds Green Road, Oldbury, West Midlands

#### 'It is a tragic spectacle' He has wasted his great poten-tialities as a patron of good archi-

From Mr Mark Girouard. Sir, Mr Palumbo indulges in sir, Mr Palumbo indulges in tactures as a patron of good archiserasm at Colin Amery's expense, but ignores his arguments (Letters, May 28). He should not be allowed to get away with references to "my dozen masterpieces hy James efforts over 30 years to provide a Stirling and architects of similar calibre, on less controversial the City of London" the City of London."

During these 30 years other are massed at vast expense, to evelopers have had little diffi- sling mud at each other at public culty in buying and redeveloping inquiries, when they could and sites, on a scale unequalled in the, should have been fighting side by There was nothing except his own obstinacy and pride to prevent Mr Palumbo from doing own dostinacy and price to pre-went Mr Palumbo from doing Mark Girouard, 35, Colville Road, W11

#### Early leavers pay well

From Mr Alan Smallbone. Sir, Your leader (June 1) sug-Sir, Your leader (June 1) sug-gests that pension schemes were duce a figure double that of a once criticised for unfair treat-discontinuance valuation ment of "early leavers," but are which is why it pays so well to and now the figures are bad they now under attack for failing to create early leavers. The huge do not want to show them?

offer protection following take-

offer protection following takeover of a company.

These are different sides of the
same coin. "Final" schemes are
so constructed that for 95 per
money for dividends; and to procent of schems memhers an
employer need contribute very
little for their years of service up
to the age of 55. So if a takeover
bidder — or new chief executive.

Final sums which can be found in this
fashion can be used in two princias naive as this — and will see
that such managers are now trying to follow what they perceive
to be the new direction of the
herd.

M.A. Murray,
37 Woodside, SW19

Privilege pambhlet (published by to the age of 55. So if a takeover bidder — or new chief executive, for that matter — can think up a

for that matter — can think up a the Centre for Policy Studies) convincing reason for redundancies, the victims can be promised the (appalling) deferred pensions offered to all early leavers.

The schemes themselves, however, are likely to have been in Inland Revenue Superannuation Funds Office Memo 32, which values liabilities not only to take account simply of accrued — and others who travel into the train window Site of the train window Si to take account simply of accrued "...non-taxable (and non-conservice to valuation date (the discontinuance" basis used for represent a tax free increment of early leaver liabilities), but also undertailed salary increases to account the salary increases the sala early leaver liabilities), but also 40 per cent or more of salary."

projected salary increases to normal retirement date, attributable 30 Temple Fortune Lane, NW11

Bridge?

Josephine Mernane,
4 Manor Road, SW20

From Mr M.A. Murray.

Sir, Lex's article on Hender-on's pension fund managers (June 1) suggests that they have felt it necessary to make a response to the crash, which even after seven months smacks of short termism. Is the discovery of the long

Long term can

look short term

term approach after a poor year not in itself short term? I have never heard of a fund manage-ment organisation which sells itself on anything other than long term performance criteria. If all fund managers were forced to "follow the herd," and not take any long term fundamental decisions, then presumably they all performed in a simi-lar fashion last year? The various performance surveys show a wide range of returns - and managers and trustees who do

take longer term views.

The article appears to blame trustees for being obsessed with short term performance figures. Could it be that when the figures were good, fashionable managers put them in front of trustees -and now the figures are bad they

Well before inviting you to invest in a Scania truck we'll have made a substantial investment in it ourselves. For instance, over 7% of sales turnover goes into research and develop -

ment to help maintain Scania's technological leadership and our

reputation for reliability and for fuel economy.

We also invest in Scania Lifeline. This offers Scania operators 24-hour national and international back-up

service and many of its fifteen component parts are included in the price of your new Scania. Scanla investment underwrites yours – right

through to the time when you sell and Scania's consistent high residual value ensures a healthy return on your initial investment.

Scania promises years of profitable, cost-efficient operation. With a dividend bonus to look forward to. More than a good buy, in fact - a true investment.



Scania (Great Britain) Limited Milton Keynes MK15 8HB, Buckingham Telephone: 0908 210210. Telex: 825376. Fax: 0908 210186.

purchase, more of an investment

#### Is Rowntree the first swallow of a bad summer for the rest of the UK?"

From Mr J. Dennis Henry. Sir, Sir Iain Noble and Mr Timothy Noble recently highlighted the loss of control from Scotland of many leading companies (May 18). My research on this subject quantifies the point they made. In the years 1985 and 1986, Scotland lost control of 53 per cent of the capital employed in Scottish publicly quoted companies outside the financial, property and oil sectors. Figures pub-lished by the Industry Department for Scotland for 16 years, 1965-1980 (including private companies) show that the impact in the two recent years was three times that of the total

remain. The predators selected oly and Mergers Commission of well; but that does not help the our own, what we need is legisla-

while most lower level jobs impact of mergers on regional the first swallow of a bad sumthere has been a noticeable the in the UK (York, for example)
reduction in the number of top is a key factor in reference. level industrial and commercial approving mergers.

executive positions based in Scotland for both the present and future generations.

Also, assurances given by predators should be legally binding for a substantial period of time. If future generations.

for the 16 years: a 24 times. But the thems, it seems to me, they are not prepared to give increase.

Not only did we lose control of divide in the UK as the south they are likely to strip the target that greater proportion of compassion 1985-6, but the ones we regions in the UK may be facing be carried out in the region conlost were more profitable (62 per the same problems as Scotland cerned with a high level of local cent) and growing faster (37 per has had. Rather than the Nohles' involvement and not left to south remain. The predators selected oly and Mergers Commission of

In 1985-6 we had a great raid on

P-E Inbucon. 127 St Vincent Street, Less of a

BUILDING TRUCKS · BUILDING REPUTATIONS

Tel: (01) 523-1494 anz AG. Zurich: Tel: (01) 211 03 11

# FINANCIALTIMES

Monday June 6 1988



Janet Bush on Wall Street

#### **Electronic** facelift for **OTC** sector

IS IT too far fetched to suggest that programme trading, thor-oughly on the defensive as far as the New York Stock Exchange is concerned, could soon burst on to an unsuspecting over the-counter

At first glance, the notion seems absurd. The Nssdaq, or over-the-counter market, is as important as any other stock exchange, the lifeblood for many of America's small and emerging companies and a centre of activity for individual investors.

But it has never been known for its sophistication. During the October stock crisis, the OTC's main struggle was with jammed telephone lines.

All that is about to change. Since October, the National Asso-cation of Securities Dealers (NASD), the market's self-regulatory organisation, has moved swiftly to remove some of the glitches from its Small Order Execution System, one of the key Much more importantly, the NASD will be selling a new software package to market makers and other dealers which promises radically to alter the market

This system is called Aces the Advanced Computerised Execution System. It was unveiled to traders recently and will be installed over the next year in companies who opt for it. Little has been said about it in public and the industry is extraordinarily sby about even discussing It. One reason for this is that traders do not know much about the system yet. Another is that the system has raised deep misgivings, many of which are being talked about in closed

package which will allow market makers or dealers to trade elec-tronically in a limitless amount of stocks. Uoder the current Soes system, trades are limited to 1,000

prior trading agreements with other dealers who have the system. As one senior executive in the market sald: "These the sixth highest to the 10th. other dealers who have the sysmachines don't automatically But, if the truth be told, has to strike up trading arrange ble a wake. For even the most ments with other firms to get fervent advocates of tax cutting

The agreements appear to be exclusive and one of the market's major concerns is that companies which subscribe to the system late will find themselves cut out from doing business with the best dealers in the market.

The major bone of contention appears to be that one leading OTC company, Troster Singer has been helping the NASD to formulate the system. Other companies are worried that it wil therefore have a bead start and may already have built up its network of exclusive dealer

Major OTC firms are burriedly signing up for the system and negotiating their own trading

Small companies, who trade OTC stocks but do not make mar-kets in them, will probably bene-fit from the system. The suggestion is that major market making companies with the Aces system would pay for the system to be installed in companies with which it wants to trade to ensure

Smaller market makers who may not have the resources to sign up for the system at this early stage are concerned that they may find themselves excluded from great chunks of

More worrying is the prospect

and entering into agreements with market makers.

Market participants believe

market makers will have to be much better capitalised to cope and some smaller firms may go out of business. Already perhaps eight firms do around 70 per cent of business in this market and it seems likely that, as one trader put it. "a small group of capital intensive trading bouses will capture much of this new busines

And what about programme trading? OTC traders do not rule this out. Futures and options con-tracts on the Nasdaq 100 index launched about three years ago met with little demand and are now defunct. Now that the market is going

electronic, however, these con-tracts could easily be revived. There is the potential for a highly liquid, volatile electronic market, sophisticated and fast enough to create demand for hedging techniques and derivative prodocts. One of the deepest fears is that companies may choose to list on the American Stock Exchange, for example, rather than face this prospect.

# Peking hosts international art auction

THE OLD MONEY of Europe and ulous weekend party ever Great Wall of China, said yester most distinguished setting in the new rich of Asia outbid each devised." other for modern art and ostentation in the Forbiddan City's Hall of the Ancestors vesterday, in China's first international auction since the 1949 Revolution. Under a banner proclaiming the power of the masses, 250 for eigners, refreshed at a Temple of Heaven champagne breakfast after a night of partying at the Great Hall of the People and Maxim's of Peking, paid \$494,844 for 67 lots and did their bit for the property of the Contraction of the Contract

the restoration of the Great Wall and Venice. The auction, followed by a feast in the Forbidden City. ended an expensive China experience for the charitable bidders, Pavarotti. But the Italian singer for some collectors. It is a very who paid up to \$9,500 for the right to revel on the Great Wall and at the Summer Palace as part of what had been modestly-touted as "possibly the most fab-

have been sensitive questions, as the French organisers, in a show hope that we can rebuild one kilof pique last week, suggested that some Chinese officials charged "exorbitant" fees and misunderstood the "concept of charity." A daughter of Deng Kiaoping, the Chinese tourism official, justify-the him as \$54,000 charge for the birth content for the Wall. "It is my hope that we can rebuild one kilometre, including a tower."

The disappointment of the auction was a work by Deng Lin, daughter of Deng Kiaoping, the Chinese leader. Unfortuntly, the

had the working title: "The Return of Marco Polo." Initially, as many as 1,000 paying customers were expected, on the wall.
along with stars like Mr Luciano "It may have been a little big Pavarotti. But the Italian singer was among those who didn't

ing a \$54,000 charge for the hire gathered glitterati did not fully of the Great Wall for an "al appreciate "White Prunns." fresco" champagne reception, which fetched only \$2,240, and said the guests had expensive not the hoped for \$8,000. Her expectations of a weekend which works sell for more in Hong Kong, where Chinese business people recognise the political and artistic value of having a Deng

for some collectors. It is a very large painting," explained a polite Mr Julian Thompson, auc-tioneer and chairman of Sothe-

evised."

day that the event had been a which a Sotheby's auction has which a Sotheby's auction has ever been sensitive questions, as been raised for the Wall. "It is my he french organisate the above." officials had shown "a lot of interest in the whole process of auctions," but conceded that a role for his auction bouse here

was s "very long term project."

While Sotheby's accepted bids in Chinese Renminbi (people's Most oil analysts learnt a long money), the combined cost of the time ago what a waste of time it

Bnt a perceptive Chinese would have been amused by the irony of a painting titled "Paper Tiger." a favourite term of the former leader Mao Zedong. This paper tiger was a large, green dollar sign on blue bsckground and fetched \$3,920. Observer, Page 24

Tomorrow's primary will measure the change of mood in California, reports Jurek Martin

# Cracks appear in the big tax break

movements like a frog in heat. But tonight, in Los Angeles, there will be commemorated a state initiative which can fairly be said to have materially influenced the lives of millions of needs. Americans over the last decade far more than ever the skateboard did.

For on June 6, 1978, the voters in countless cities, towns and of California passed by a two to one margin Proposition 13, the with initiatives, the general famous tax-cutting amendment which paved the way for the Rea-gan tax reforms of the early 1980s.

Its most celebrated protagonist, Mr Howard Jarvis, will not be at the Biltmore Hotel, for he died in 1986. But his co-sponsor, Mr Paul Gann, will be there even though he is suffering from AIDS (from an infected blood transfusion). Aces is basically a software ackage which will allow market higher in the pantheon of radical makers or dealers to trade electrical makers or dealers and dealers to trade electrical makers or dealers and dealers and dealers are dealers and dealers are dealers and dealers are dealers and dealers and dealers are dealers an sition 13, which stopped property tax increases, a year later with Proposition 4, which limited gov-

the new system, which has raised fears of unfair competition, is that a market maker has to make prior trading arrangement of the effect of the two measures on the state itself has been significant. In 1976 the property taxes per head in California ernment spending. per head in California were the fourth highest in the nation. Ten

and other restrictions on the power of government accept not only that the steam has gone out of their movement but that Californians themselves now seem to have a different set of priorities. A more accurate assessment of the mood of the state today is going to be provided by tomorrow's primary elections. All the

BY OUR FOREIGN STAFF IN LONDON

terday that failure to make prog-ress in the deadlocked Middle

East peace process could bring

another regional war much

"We want to avoid any war

that will be unlike any conflict

we've seen before, involving

more casualties and proving barder to contain," Mr Shultz

said on arrival at Ben-Gurion air-

His unusually blunt message was clearly intended to shake the

closer.

back the electorate is now more concerned that state and local authorities are being prevented from providing services commensurate with the state's growing

This is no bleeding heart liberalism revived and it is not the fruit of economic hardship. But in countless cities, towns and with initiatives, the general thrust of which appears to be that roads, schools, hospitals and police forces should not be starved of funds when the state and so many of its citizens are so

The message is not going to be as easy to read as proposition 13, simply because it is so frag-mented. The San Francisco city ballot paper, for example, includes 14 separate propositions. at least three of which have been withdrawn, as well as slates of candidates for election. The voter information guide, bilingual in English and Spanish, and with footnotes in Japanese, runs to no

less than 88 pages.
Californians have long been concerned with "quality of life" issues, as well they may, given the abundance of resources here water. This has always given impetus to the local environmentalist movement, which is now much exercised over federal plans for oil drilling off the beautiful coast of Mendocino in the sufficient of the coast of the coast of Mendocino in the sufficient of the coast of t of just about everything except water. This has always given tiful coast of Mendocino in the a huff. north.

No politician has become more George Deukmejian, the conservative Republican governor, For he is hoist on a twin petard: first, he has been constitutionally unable to spend the surpluses the state's booming economy had generated recently; instead he has been obliged to rebate the

MR GEORGE SHULTZ, the US Shamir, the Prime Minister, out Secretary of State, told Israel yesterday that failure to make prog-

to the dangers of chemical war-fare and the proliferation of bal-

listic missiles, two issues cur-

rently troubling the Government.

ered in Algiers for this week's Arab summit meeting where they

will express their joint support

for the Palestinian uprising in the Israeli-occupied West Bank

The uprising, or intifoda, is the only item formally on the agenda

and Gaza Strip.

Baker seeks to allay inflation fears

right wing half of the Israeli of the three-day Arab summit coalltion, led by Mr Yitzhak that opens tomorrow under the

As he spoke, Arab leaders gath-



Governor George Deukmejian: remarkable contortions

of tax rebates simply to endorse the cheques over).

Second, in an ironic twist of nological miracle.

pularity in California, he would large have lent much to the Republi-

terday, Palestinians set tyres

ablaze and fiew PLO flags on the

third day of a general strike called to protest against Mr

Arriving at Tel Aviv on his fourth Middle East peace mission

this year, Mr Shultz warned Israelis that "the continued occu-

pation of the West Bank and

tinian rights is a dead-end street. The belief that this can continue

Gaza and the frustration of Pales

Other Middla East reports,

Page 4

Shultz's trip.

is an illusion."

This is because California can no longer automatically be counted in the Republican col-umn, where it has resided for eight of the last nine presidential

are right, they tell me a lot about the mood of California and even more about the state of the Bush

Neither Mr Dukakis nor Mr Which should leave room for Bush registers as high on the California Richter scale of recog. \$18 benchmark between now and California Richter scale of recognition as the medieval sage, Nos-tradamus, whose earthquake preremarkable contortions dictions are mandatory reading here. Even in Silicon Valley, according to Regis McKenna, school districts, needing money, entrepreneur and local guru, have taken to asking recipients there is no instinctive empathy there is no instinctive empathy had been expected, part of the with the man who lays claim to credit for the Massachusetts tech-

Second, in an ironic twist of nonogical intraction.

Mr Dukakis had to suspend have underestimated federal tax campaigning in California last transfer payments, to the tune of week because of his wife's illness, about \$1bn in the current fiscal There is just the outside chance year. This has induced some that the Rev Jesse Jackson can remarkable contortions from Mr cut down his victory margin, currenarkab Deukmejian. At the start of last rently put in the 2.1 range, to

in the south distrust the vice His problems have probably president, but surely more worryruled him ont as a running mate ing that so little of President Rea enmeshed in the debate than Mr for Vice President George Bush, gan's residual popularity rubs off not that, given his present unpo- on him in the eyes of the state at

pularity in California, he would have lent much to the Republican ticket. What is clear, however, is that either Mr Bush or his likely Democratic opponent, Mr Michael Dukakis, the governor of Massachusetts, badly have 10 years ago.

#### Shultz gives Israel war warning Bond Corp to bid for **Bell Group**

Regarding the sudden Bond bid, the NCSC explains that it had been planning further action until it received an approach

After further discussion, Bond tance by holders of the 60 per cent it is seeking will cost it A\$510m, on top of the A\$170m it paid for the first 19.9 per cent.

Continued from Page 1 of Bell Group, in particular that Bond Corporation would assume that control with at least the tacit acquiescence of the SGIC." from Bond Corporation last

Corporation agreed to make the A\$2.70 takeover offer for all Bell Group ordinary voting shares not already held by it and the SGIC. Significantly, the bid is with-out any minimum acceptance conditions. Moreover, terms will be changed for the A\$150m Bell Group convertible bonds which the SGIC agreed to acquire and place as part of its original deal.

Bond Corporation, for its part,
notes in a statement also being released today that the NCSC reached no final views in its now-suspended investigation.

Bond Corporation's hid values
Bell Group at A\$850m. Full accep-

# West Germany or Japan at the

Continued from Page 1 a certain winner, and Governor Broader concerns centre on the far-reaching implications for trading OTC stocks of the new ing rival for the nomination, the Rev Jesse Jackson. Mr Baker yesterday backed Mr

Bush's pledge not to raise taxes in a future Republican administration. He also made clear that be believes the six-month-old economic recovery should be one of Mr Bush's strongest cards and dence, went out of his way yes-said, of the inflation threat, "we terday to praise the Fed. "The are not going to see it this year." current course of monetary pol-Last week, Mr Bush said infla-icy is very satisfactory," he said.

World Weather

tion fears were unjustified but he went further and urged the Federal Reserve, the US central went further and urged the Federal Reserve, the US central bank, not to tighten monetary policy. His comments looked like a warning shot to the Fed that tighter credit and higher interest rates could threaten his election prospects. Mr Baker, in an apparent attempt to offset any impres-sion that the Vice President was compromising the Fed's indepen-dence, went out of his way yes-terday to praise the Fed. "The current course of monetary pol-

moment, Renter reports from Frankfurt Mr Põhl said in a radio inter

Mr Pohl said in a radio interview: "Japan Is booming... and more would be bad." Referring to West Germany, he said fears of a slowdown in economic growth as a result of the low dollar and the stock market crash had not come

#### Labour faces N-arms row

Continued from Page 1 He stressed: "We want to get rid of Trident. But the fact is that it does not have to be something for nothing; the fact is that it can be something for

something."
The Labour leader emphasised his ballef that Trident would not enhance Britain's security or significantly contribute towards its Nato responsibilities. But be claimed that anything a Labour government achieved in return for decommissioning Trident would provide "a bonus for Britain and a bonus for the world."

He acknowledged the impact of fast-moving international events and said that any politi-cal party would appear "com-plete fools" if it ignored the scope and the scale of recent developments and the opportu-nities for playing a responsible role in the process of change.

He accepted that the US would have nuclear weapons as long as the Soviet Union and that Britain would continne to belong to the Nato nuclear alliance

THE LEX COLUMN

# Tying up loose ends in Vienna

money), the combined cost of the entrance fee and catalogue, \$47. was predicting the outcome of was about five weeks' wages of Opec meetings, and so have contented themselves with matching the open community of wastible Opec community. niques with consequent price movements. But even this somewhat pointless exercise has been abandoned for this week's meet-ing, as the issues which have straightforward consequences for the market – like price and quota – are not likely to be dis-

ussed directly at all. That does not mean the meeting will be bland, nor that it will be over quickly. Two of the main points — what sort of oil should be included within production limits and whether Iraq can be brought within the Opec quota - go to the heart of divisions within the cartel, making the chances of agreement remote.

But after the unsightly display of dissent at the April meeting, the market badly needs signs of cohe-sion, and if it does not get any. may be more censorious than before. More important are the elections. 1964 beling the sole exception.

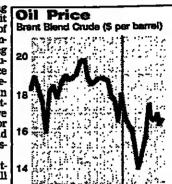
A lawyer in San Francisco, a Democrat, put it this way: "If these polls (giving Mr Dukakis a double digit lead over Mr Bush)

The solution of the sole important are the consequences for supply of these seemingly technical issues. Including lighter grades in quotas would make cheating more obvious, while bringing Iraq back within the fold would provide a separate of cheat cbeck on one of Opec's worst

over-producers. At least the cartel has the lux-ary this time of rising demand. the end of the year. However, in the last week or two things have deteriorated slightly. Opec members are now cheating to the tune of 1m barrels a day, and with demand in the US weaker than had been expected, part of the

US corporate leverage The sight of Britain's Beazer

winning its highly leveraged \$1.7hn takeover battle for Kop-pers of Pittsburgh last week, and Mr Carl Icahn toying with the idea of launching a \$14.2bn takeover bid for Texaco, the wounded oil giant, have re-awakened concerns about the increasing use of by net interest payments) has leverage in Corporate America. declined from a peak of 25 times Everyone is agreed that the bor- in 1956 to an average of 3 since



rowing ratios of US companies have risen dramatically over the last decade but on the critical question of whether increased leverage bas strengthened, or sapped, the competitiveness of US companies, the protagonists still seem as far apart as ever.

The traditional view is that unduly high levels of leverage force companies to sacrifice long-term investment plans and maximise current earnings. As long as economic growth remains buoyant and interest rates stable. all is well. But it leaves companies with little margin for error at a time, like now, when interest rates are heading higher.

However, there is a growing school of academic thought – highlighted in the inaugural issue of Continental Bank's Journal of Applied Corporate Finance that a highly leveraged capital structure leads to a more effi-cient allocation of resources within the economy by curbing management's inclination to rein-vest the corporate cash flow in low return projects. The US oil industry is held up as an ideal testbed for what has been dubbed as the "debt control hypothesis" If, for example, Exxon and Mobil, had been highly leveraged, their managements would not have been allowed to squander shareholders' money on costly diversi-fications such as the acquisition of Reliance Electric or Montgomery Ward.

tion about this type of thinking, it has to be set against the recent dizzy growth of leverage in Corporate America. Morgan Stanley, for example, has calculated that the ratio of total debt to book net worth of US non-financial corporations has almost dou-bled since 1956, while interest cover (earnings before net interest payments and taxes divided

1981. Fortunately, lower interest rates and higher corporate earn-ings have prevented interest cover declining further, despite the 40 per cent rise in leverage since 1984. The question of how long this favourable set of circumstances can continue, explains why some people are distinctly uneasy.

#### News Corporation

One of biggest casualties in the recent sharp runnup in the Australian stock market has been the shares of News Corporation which have inderperformed the market by close to a third over the last month. They are trading at less than half the A\$25 they touched ahead of last October's stock market crash, and the more adventurous global investors, who fell in love with the stock during lin livefold leap in value in 1986-87, are beginning to lose faith in Mr Mundoch's ability to conjure up another quantum leap forward in the group's profits.

Part of the reason the shares have fallen out of favour is the recent reduction in Australian recent reduction in Australian corporate taxes which has led to a re-rating of high-yielding shares and worked against companies like News Corporation which only pay token dividends. More important, with close to A\$5bn in debt, higher interest rates can be lethal to profit projections, and the group's habit of taking substantial foreign exchange trading profits above. exchange trading profits above the line and heavy start-up losses on its US TV network below the line, makes some investors

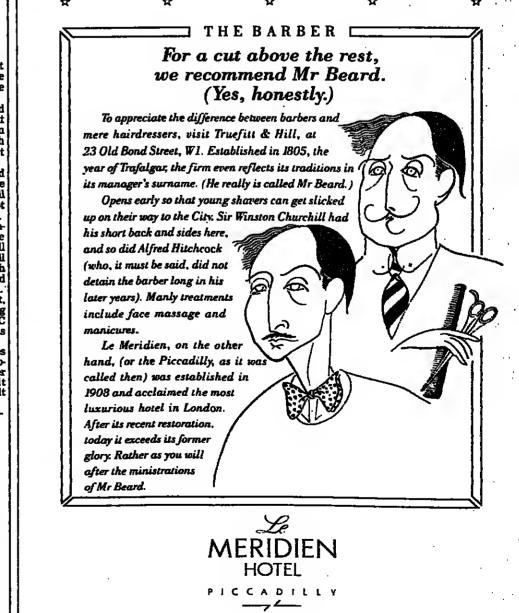
unhappy.

Australian brokers Bain & Co. for example, estimate that if various adjustements are made, the group lost A\$7m in the third quarter; and while it may report a 25 per cent rise in earnings to A\$460m in the current year, earnings could fall by 14 per cent to A\$268m if foreign exchange profits are excluded and the losses on Fox Broadcasting are included. Depending on the calculation, News Corporation shares are trading on a multiple of any-where between 8 and 17 times

current year's earnings.

There is nothing new about the unorthodox accounting practices, but News Corporation's ambltious bid to establish a fourth US TV network is proving to be far more costly than imagined. Mr Murdoch has yet to prova that his undoubted knack of produc-ing profitable newspapers can be transferred to a US TV network which is swallowing close to A\$100m a year. Until he can, or decides to cut his losses, News Corporation shares are not going to regain their glamour rating.

THE DISCERNING PERSON'S GUIDE TO LONDON



21 PICCAPILLY, LUNOUN WIN OBRITEL: 01-734 8000. TRAVEL COMPANION OF AIR FRANCE.



Doors

ation

the state of the s

with dose hater ging

to be profit =

in the same

TOTAL BR

THE NAME OF

Jan Burge

03.300

in that the

" 清 學 定

if it it it it.

MATERIAL :

: · :: · · · · :

11 m 12

10000

title bret 

"Marco 7

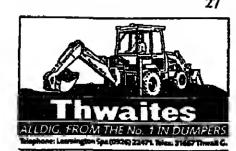
... | 1 · ··· › . እም . p | 10.4 i

1914 (48%

DOM: THE D

# SECTION II - COMPANIES AND MARKETS FINANCIALTIMES

Monday June 6 1988



INTERNATIONAL BONDS

# AIBD papers over some of the cracks in the houses

"THE Eurobond market is dead Long live the Eurobond market!"
The relief was palpable at the end of the Association of International Bond Dealers (AIBD) meeting in Dallas last week, even if its 1,200 besuited delegates were too polite to articulate it.

deep-seated unease and persistent nerves that the situation to which the dealers were returning was a far cry from the bull mar-

advantages of both systems.

The Trax project represents the single most important step in the Euroclear's lobbying proved powerful and it looked as if the pointe to articulate it.

The split between the AIBD and the two Eurobond clearing houses which had threatened tha future of the whole market has, temporarily at least, hear notices which had threatened the against the dau phonomy of infiniture of the whole market has, quidity, poor transparency and temporarily at least, baen leakage to other markets that has papered over and dealers could return to the more urgent business of making money.

Yet despite the eventual truth and the conviviality generated by a few days of rodeos, armadillo racing and renewing old contacts, the campaign against truth was still possible to detect a duplicated services of their ACE days against and elect the costs which duplicated services of their ACE system and also the costs which member houses could no longer

tent nerves that the situation to which the dealers were returning was a far cry from the bull market hand wagon so many of them had joined.

The row between the AIBD and Euroclear and Cedel over their respective computerised trade matching and confirmation aystems, Trax and ACE, dominated the two-day meeting.

The dispute and its makeshift resolution have implications far wider than any vociferous squabbling over the various technical advantages of both systems.

Trax pilot phase later this year.

Euroclear's lobbying proved powerful and it looked as if the AIBD board would be forced to call an extraordinary general meeting when a motion to raise the subscriptions by 20 per cent.

board on its co-operation with the SIB and their achievement of Designated Investment Exchange

This exempts the Eurobond market from several important

market domination by the lead. French delegates that the SIB market the transparency and ing London-based houses, most of had been advising French author-liquidity it needs to restore invessible to confidence, a plea made by of any industry cycle is also still

by Euroclear to reopen negotia-

gates.

However the AIBD board had a reopened, the AIBD board saved white knight in the wings, in the from the ignominy of resignation figure of Mr Richard Britton from the ignominy of resignation and market disintegration and market disintegration averted. The Eurobond market appears to have recognised that board on its co-operation with it evolved is to co-operate with the authorities. This is signifi-cant for a body which only a few years ago decried the Financial Services Act and vowed it would

have nothing to do with it. But the market feels it has no alternative way forward was borne out by frequent references to the market's deteriorating image. "It is no longer, 'my word, my bond' but 'my bond, your loss'," commented a senior AIBD

figure wryty. other and no longer sees itself as Senior market participants an esoteric and elevated gentle-contend that Trax will give the man's club.

and prompted a purge by Cedel, liquidity in a market such as the followed by a less clear but Eurobond market, where there apparently sincere undertaking will always be a fundamental mismatch of assets and liabilities which will deny Eurobonds the liquidity of any domestic fixed-income market.

The transparency promised by Trax was also a source of concern for several rank and file dealers appears to have recognised that in Dallas. Many argued that the the only wage of retaining a modicum of fabled freedom in which it evolved is to co-operate with the authorities. This is signifiers would be obliged to run a flat ers would be obliged to run a flat book, on which no money would ever be made. Low volumes now made this more often than not the case and increased transpar-ency could kill any liquidity still present, several maintained.
One patent conclusion of the
Dallas meeting was that the international bond market, like it or not, has finally resigned itself to its role as an industry like any

concerns such as the anticipate cost of Trax, were not dealt with, despite requests from delegates of a detailed breakdown. Many delegates found this worrying especially as one of the leading narket makers, Kidder Peabody Securities, recently pulled out from the Trax pilot scheme, claiming first year costs would total £500,000.

The anticipated resolution to the Trax ACE row, a computer interface between the two systems, also seems set to bring systems, also seems set to bring with it large capital outlays. Senior market figures maintain that these costs are petty when the future of the whole market is

Last week's best story was the sorry tale of the leading house which had hired South Fork for a party and aubsequently cancelled. Amusing yes, but leaving no doubt that overheads and costs, once considered incidental, now count more than ever before in the Eurobond market.

**Dominique Jackson** 

make a formal syndication. Kan saliis-Osake-Pan kki

became the first Finnish bor-rower with a medium-term note

programme, for \$250m, arranged

rill Lynch and Shearson Lehman

Warburg Securities, with Mer-

# Arab investment group set to win control of Gucci

INVESTCORP, the international resentatives on the eight-member investment bank founded in 1982 Gucci board, has not yet revealed as a cooduit for private Arab itself, either in public or to Mrs investment in Western industry, Maria Martellini, the chalman is close to taking effective control appointed last August by the cusof Gucci, the luxury Italian appointed last August by the cusmaker of haodbags, shoes, per cent shareholding. A crucial Gucci board meeting is scheduled

For nearly nine months, the London branch of Morgan Stanley, the US investment bank, has been acting in secret on invest corp's behsif, buying equity stakes in Gucci's Italian, US, British Exercises and Long Kong over stakes in Gucci's Italian, US. Brit-ish, French and Hong Kong oper-ating companies. All that was known was that a "mystery buyer" was stalking Gucci in Italy. So far, the Bahrain-regis-tered Investcorp, already known for its acquisitions of luxury jew-ellers Tiffany and Chaumet, has spent around £75m (\$135m) buy-ing Gucci equity in various couning Gucci equity in various coun-

over Gucci to Investcorp's London executives, has been stealtb-ily buying shares from rival members of the Gucci family. At present, investcorp owns 47.8 per cent of Gucci in Italy, 43 per cent of Gucci America, and minority stakes in various other Gucci distribution companies in London, Paris and Hong Kong. The Italian company had 1987 sales of L220bn (\$172m), while Gucci America of finance, but is unlikely to

had revenues of about \$150m.

The investment bank, which has 14 partners including six Primary Market Americans, is 70 per cent-owned by several hundred investors in the Gulf region, 15 per cent by 12,000 small shareholders through the Bahrain equity market and a 15 per cent by the manket an agement partners in London, New York and Bahrain. The charter of investcorp calls

any, established a \$200m for taking medium-term equity positions, usually of control, in a handful of companies each year.

Investcorp, which since last month has had four nominee rep-

to be held on Wednesday.

Executives of Investcorp, which has \$550m in assets, gave Morgan Stanley the go-ahead to begin buying Guccl equity last autumn. The Florence based luxury leather goods company was in the grips of a public feud that had divided the grandchildren of Mr Guccio Gucci, who founded Gucci as a saddlery business in

Mr Maurizio Guccl had seen his 50 per cent stake of the com-pany sequestered by an Italian court; the sbarebolding is still frozen. The other 50 per cent was Morgan Stanley, which originally broached the idea of taking cousins - Paolo, Roberto and Giorgio Gucci.

Last November, in the first share purchase, Morgan Stanley picked up Mr Paolo Gucci's 3.3 per cent stake on behalf of an anonymous" client. Then, in April of this year, Morgan Stanley bought a further 44.5 per cent of Gucci from Mr Roberto and Mr Glorgio Gucci, bringing the Investcorp stake up to 47.8 per

# EUROMARKET TURNOVER (Sm)

#### Bankers play their part in helping to thaw East-West relations while has lined np a string of banks to provide sizeable chunks

AS THE Soviet and US leaders to the banks than in the countalked last week of a new spirit of try's last big financing, raised a some weeks ago. There is a 6½ friendship between East and year ago, which carried the 12½ basis point commitment fee.

West, Western bankers were playing their part in helping to thaw the Cold War.

margin throughout the 10 years.
In southern Europe, Portugal is thought to be close to announce.

for three years and 18% for the credit carries margins of 15 basis remainder. The terms, as might points for three years and 18% week launched into syndication a be expected, are more generous basis points for the rest, some £200m MOF for Jaguar, the lux-

embourg started syndication of a styring for half that amount.

150m 10-year borrowing for Three banks – Banca Commerciale Italiana, Dat-Ichi Kangyo and Citicorp – have have started grace period, with a margin of syndication of a Ecu200m loan for a 12% basis points underwriting fee and syndication of a Ecu200m state with a larger points underwriting fee and syndication of a Ecu200m state with a larger points underwriting fee and syndication of a Ecu200m state with a larger part of the five-year lands-ing of at least £150m, although it may be increased following oversubscription – carries a 5% basis points underwriting fee and syndication of a Ecu200m state with a larger part of the five-year lands-ing of at least £150m, although it may be increased following oversubscription – carries a 5% basis points underwriting fee and syndication of a Ecu200m started by the started syndication started by the started syndic syndication of a 12% basis points above London Antostrade, tha Italian state utilisation fee of 2% basis points interbank offered rates (Libor) roads concern. The nine-year if more than half drawn.

In the UK, National Westminthaw the Cold War.

Hungary signed a \$200m eightyear credit with a group of 31
banks, and Deutsche Bank Liuxbanks, and Deutsche Bank Liuxthe Cold War.

In southern Europe, Portugal
is thought to be close to announcing a Eurocommercial paper programme, perhaps of up to \$500m, materials concern. The commitand an associated backstop facilty for helf that amount

Citicorp and Lloyds Bank last week launched into syndication a

represents an increase on a £100m facility with a £50m com-mitted portion that was signed in

has been said about ever-aggressive pricing for MOFs, the price has not changed since then, although the maturity has been extended initially to five years from the date of signing. That means a facility fee of 6½ basis points, a margin over Libor of 10 reported, Suchard has arranged a basis points, a margin over Libor of 10 reported, Suchard has arranged a basis points with a utilization fee. if more than half drawn of 2%

ury car maker. The financing, any day of the Mickey Mouse fin-£150m of which is committed, ancing that is not, for the EuroDisney leisure park outside Paris. There has been fierce competi-tion to win the mandate for the financing, of around FFri3hn, Surprisingly, in view of all that has been said about ever-aggresthat Banque Nationale de Paris

means a facility fee of 6% basis points, a margin over Libor of 10 basis points with a utilisation fee if more than half drawn of 2% Bank of Switzerland (the three-basis points.

Bankers are expecting details seed confectionery group. As reported, Suchard has arranged a fine for the such as a su

Hutton also appointed as dealers. Two Japanese borrowers estab-lished Eurocommercial paper programmes. Marubeni, the trad-ing company, established a \$200m programme through Yamaichi

International.

This announcement appears as a matter of record only.

U.S. \$200,000,000

MAY 1988

# MORGAN GRENFELL

organ Grenfell offers four unit the one aiming for income and thre aiming for capital growth.

> UK Equity Income T American Growth Trust European Growth Trust ternational Growth Trust

our financial adviser for full details, or for more information on:

01-826 0123

**Kerr-McGee Corporation** and Kerr-McGee Oil (U.K.) PLC

Guaranteed by

**Kerr-McGee Corporation** 

**Revolving Credit Facility** 

**Credit Suisse First Boston Limited** 

Amsterdam-Rotterdam Bank N.V.

Commerzbank Aktiengesellschaft

**Credit Suisse** 

Deutsche Bank AG

National Westminster Bank PLC

The Royal Bank of Canada

**Swiss Bank Corporation** 

**Westpac Banking Corporation** 

Co-Manager:

Algemene Bank Nederland N.V.

The Industrial Bank of Japan, Limited

Fecility Agent

**Credit Suisse First Boston Limited** 

# UNIT TRUSTS

Issued by Morgan Grenfell Unit Trust Managers Limited A member of the Unit Trust Association

A member of IMRO and a member of LAUTRO

#### No mystery over sterling's fall

THERE IS something curious in the claim made by some market commentators that sterling's dra-matic slide last week proved the truth of the Chancellor's observation that the pound's rise would

prove to be "unsustainable."

Those with a longer memory will recall that this prediction was made first when the pound was trading around DM3.08 and base rates were 9 per cent. Mr Lawson then appeared to set about to make his prediction self-fulfilling by criting base rates to 7% per cent as the currency rose ever npwards to

That is a bit like Wedd, the powerful jobber in the old gilts market, going short of the market in the belief that prices would fall, and congratulating itself on its impeccable judgment when prices did so. Not only is there prices did so. Not only is there the problem here of the observer pound falls to around DM3.00 with influencing the observed, but actually taking actions to make actually taking actions to make however, be enough to hold steries in the point about unsustainability is: was sterling's value at the is: was sterling's value at the interior of the collection of the collection.

raise them again on Friday and wide phenomenon.
why the pound may have to fall a This cash is going into lot further yet before the foreign short-term money market instru-

moved rates up a full point then it might have reversed the market's direction; more importantly such a move would also have mystery surrounding sterling's been seen as a signal that a floor fall. At around DM3.18 or higher

The Bank is naturally happier with a situation where interest rates are higher and the exchange rate lower, but it can be only a little happier. The current situation is little more than an uneasy equilibrium and one where the Bank's room to manoenvre seems constrained and dictated by the foreign

The Bank is keen to point out that financial markets should not be too confident of reading its future moves on base rates; it is not in the business of being predictable. It may not be in such a business but the credibility of the Government's anti-inflation commitment depends on base rates rising when the pound falls, and

For the past six months, but more so since March, the Government has been vigorously advo-cating the concept of "symmetry" in the operation of policy - that interest rates would move in an

inverse relationship to the cur-rency – allied to the policy of fighting inflation.

But whither the tightness of But whither the tightness of monetary conditions now? The current sterling index level — 76.2 on Friday — is consistent with base rates between 8.5 per cent and 9 per cent and if one looks at the D-Mark rate — DM3.10 — according to the doctrine of symmetry base rates should be at 8.5 per cent.

It should come as no surprise, therefore, that the money mar-

therefore, that the money mar-kets have already factored in 8.5 per cent rates. If past policy has any meaning then another rise in rates should be expected if the

The point about unsustainable ity is: was sterling's value at DM3.08 unsustainable with base rates at 9 per cent? Recent history would suggest it was not are not buying stock in either that was why tha Bank of England raised base rates by only ing cash. With the exception of 2 a point on Thursday, did not 1 Japan, this seems to be a world-

exchange markets get another ments in the world's main money half point.

ments in the world's main money centres where returns are reason-The Bank felt that if it had able and the investor is left with maximum flexibility. This invest-ment is driving currencies.

There should, therefore, be no was being put under sterling, with prevailing world interest rates, there was little in the currency left to play for, given the structure of short-term interest

The interest rate differential between three-month sterling deposits had narrowed from 277 month dollars, from 517 basis points to 400 against the yen and from 560 points gainst the D-Mark to 450 over the period from March 7 to June 1.

The currency to benefit has been the dollar. But if sterling weakens further the interest rate differential could easily be re-established with the D-Mark and the yen and that might be enough to tip the balance in ster-

Simon Holberton

US MONEY AND CREDIT

# Uncertainty provides firepower for bulls and bears

If EVER there was evidence that about what the economy is actu-tive interest rate differential after ally doing, a miserable state of a further snngging in monetary behave in a less than rational manner, last week provided it.

After week provided it.

The inflow into the US currency and equities could be reversed. A ing in US interest rates to support the dollar. Whether or not the US authorities are manipulating the markets are manipulating the markets.

After weeks in the doldrums, the equity market suddenly broke out of its lethargy and put in a fine performance for no apparent reason. Economists swiftly rounded up a mixed bag of positive influences to explain the swift turnabout, including a more stable bond market, a more stable dollar and a growing feel-ing that previous pessimism had

heen overdone.

Then, just as quickly, with the bond market still looking stable, the dollar still attracting some speculative flows associated with higher short-term interest rates and more talk about inflation fears being overdone, profit tak-

prices, one of the factors which had sent yields soaring to nearly 9.5 per cent in recent weeks.

These are strange and confusing days for financial markets, which spend days drifting sideways before falling on apparently good news and rising on no news at all.

ment and jobs figures.

Apart from the confusion of prompt the Fed to intervene by the annual benchmark revisions selling some dollars. and updates in seasonal adjust-

and updates in seasonal adjustments, the release was a thoroughly mixed bag which provided firepower for the arguments of both bull and bear. On the one hand, the pace at which jobs are being added to the economy has been slowing and there was actually a rise in the overall unemployment rate last month. On the other hand, there was evidence of strong wage rises to the last apparent snugging nearly the same release to the last apparent snugging nearly the last week may not be the start of a new trend but it did show how quickly market sentiment can be the last the last may not be the start of a new trend but it did show how quickly market sentiment can be the last apparent snugging nearly the last week may not be the start of the new last week may not be the start of a new trend but it did show how quickly market sentiment can be the same of the last week may not be the start of a new trend but it did show how quickly market sentiment can be the same of the last week may not be the start of the nestern admition to the dollar conditions. was evidence of strong wage rises prompting many bond market and hours worked rose for the economists to revise that target second month running, suggesting that the economy, or at least the industrial sector, remains

strongly early in the week strongly early in the week despite surging commodity prices are a market. Last Thursday, the Comprices, one of the factors which had sent yields souring to the surging to the surging to the factors which had sent yields souring to the surging to the very robust. index shot up to its highest level since December 1984, partly reflecting higher grain prices because of unusually dry weather in the mid-West which presages higher food prices.

Offsetting the potentially nega-tive impact of the CRB index on Part of the reason for this sentiment in the bond market apparently irrational behaviour were speculative flows into the is the high level of uncertainty dollar, reflecting a more attrac-

range down to perhaps between 7% and to 7% per cent.

The burning question in com-ing weeks is how easily the flow of funds into the dollar, bonds

base rates were raised by tha Bank of England.

For months, the British authorities have tied themselves into

East trading room last week. The suggestion was that the Fed was not nearly as frightened about inflation as people thought and that the US authorities had used tha markets' inflationary obsession as a smokescreen for a firm- and capacity utilisation.

ties are manipulating the mar-kets in this way, there is no doubt that there is some subtle stage management going on, not only in the Fed but in other cen-tral banks, to keep things under control until after the election.

There are few economic releases due to be published this week. Financial markets are likely to mark time until next week's run of figures, including April's trade figures, which are generally expected to show a deficit of around \$12bn compared with the surprisingly low \$9.7hn shortfall in March. Also to be released next week are figures for May retail sales, industrial production

is, together with a consensus forecast by Money Market Scr-vices of Redwood City, California:

• May Producer Price index. The consensus forecast for the PPI is for a rise of 0.4 per cent after a 0.4 per cent gain in April. A large component of the gain is expected to be food prices because of a 3.1 per cent rise in agricultural prices last month, which translates into a 1.5 per cent rise in the food component

of the PPL
This should be offset by lower energy prices, which are likely to have been deflated by the seasonal adjustment. There was also evidence of a slight fall in whole-sale petrol prices last month.

Janet Bush

#### Only three top US banks met capital goal

ONLY THREE of the top 11 tal. But altogether 14 leading banks in the US would have been able, at the end of last year, to meet the new international capital requirements being proposed by the Basle-based Bank for International Settlements, according to IBCA, the London-based credit rating agency.

Tal. But altogether 14 leading to the calculation is based on 1996 banks will need to raise a total of earnings because of the distort innental Illinois.

The Basla proposals will world debt provisions).

These are Security Pacific (0.5), wells Fargo (0.8), Citicorp (2), per cent. At least half of this capital to risk assets of at least 8 wells Fargo (0.8), Citicorp (2), per cent. At least half of this capital to risk assets of "tier 1 capital." which comprises mainly equity.

based credit rating agency.
In a report assessing the impact of the proposals, IBCA also points out that banks out-side the top 11 are much stron-ger, and a greater proportion of them would have sufficient capi-need to reach the Basle level.

requirement based on their 1987 results are J.P. Morgan, Bankers Trust and First Interstate. IBCA

These are Security Pacific (0.5), Chase Manhattan (3.1), First Chicago (3.9), Chemical (4.2) Manhattan (3.1) are basia proposals will require banks to have a ratio of capital to risk assets of at least 8 per cent. At least half of this must consist of "tier 1 capital".

earnings by 1992: BankAmerica,

cago (3.9), Chemical (4.3), Manu-facturers Hanover (5.6), BankA-merica (no figure because it in a recent report on Japanese banks, IBCA said these would 

35

# US MONEY MARKET RATES (%) US BOND PRICES AND YJELDS (%1 Lect Fri. NRI TOKYO BOND INDEX carber 1983 - 100 2/6/88

Source: Nomina Research Institute

How much do you really know about U.S. TREASURIES, GILTS, SWAPS, EUROBONDS, CURRENCY OPTIONS AND FOREIGN EXCHANGE?



Users of Financial i's information and training programmes include:

AP Dow Jones • Aragon International • Asian Development Bank • Australia & New Zeeland Banking Group • Autophon Switzerland • Bank of America • Bank of International • Bank of Commerce • Capel Court Corporation • Chase Menhetian Bank NA • Chemical Bank of Company • Bungan Bank of Court Parameters • Capel Court Corporation • Chase Menhetian Bank NA • Chemical Bank of Court Parameters • Capel Court Corporation • Chase Menhetian Bank NA • Chemical Bank of International • Delvis Europe • Euro International • Delvis Europe • Euro International • Delvis Europe • Euro International • Delvis Europe • Europe International • Delvis Europe • Europe International • Delvis Europe • Europe Bank of Chicago • Full International Finance Ltd. • Fulton Preson Capital Markets • Charac Commerce • Ecol Management Services • Hambrica Bank of Chicago • Full International • Full • Europe Bank of Court Management Services • Hambrica Person Ludy Search Bank of Court Management Services • Hambrica Person Ludy Search Bank of Court Bank o

How can you find out more about

U.S. TRÉASURIES, GILTS, SWAPS, EUROBONDS, CURRENCY

Send for an Information Pack, or ask for a demonstration of any of our products by ringing Michael Young or Philippa Downing NOW on 01-351 6955

上記フログラムのいくつかは、日本語でも

受けられます。

Einige der obigen Programme sind auch in deutscher Sprache erhältlich. Certains de ces programmes sont disponibles en versions françaises.

Financial i Limited 250 King's Road, LONDON SW3 5UE, U.K. © 01-351 6955 telex: 94014207 = FINI G



FT/A	ΙB	D INTERNATIO	NAL BO	ND S	SERVICE	
ABW BARK 81-71 1509812-1 ALTHA LIFE & CAS 74-16 200 944-4-3 ANGE DYLFTM. 114-94-198 198 1914 8	9,33 8,28 13,59	RALSTON PURSUA 11 5 95	150 1051, 0 100 1051, -1, 125 1001, N 200 102 -1,	30.54 9.39 10.20	TEXACO CAPITAL 11 % 94 500 110 0 8 79 XEROX CORPN 588 75 98 % +% 177 28	
ALDE 11 69 75 101 -4	9.18 8.86 1H.51 9.12	REMARDSON-VICKS 12 to 93 MCKWELL NT 9 % 98 MCKWELL NT 9 %	100 103 1 1 125 100 1 H 260 102 1 175 85 1 1 175 85 1 1 125 95 7 1 126 100 H	8.77 9.89 9.39 9.35	YER STRAIGHTS David griss work Yold ALLEO SICHAL O'S 95	
ALBERTA 7's VI	1.78	SASKATENEWAR 93 91		8.50 N.92	BYON CAPITAL 64 93 36 ORN 105 -1 315 BARKLAYS DS INV 6% 40 ORN 1051 -1 348 O F C E 54 96 20 ORN 1052 -1 348	
BANK OF TOKYO I 1 40 100 421 -14 125 183 -4 14 140 125 183 -4 140 125 183 4	9.42 9.18 9.22 9.87	SCARS D/S.FTM. N 99. SCARS D/S.FTM. LI 1 93. SCARS D/S.FTM. LI 1 93. SCARS D/S.FTM. D/S 10 1/2 88.	158 1181 44 250 37 44 159 1071 44 258 491 17	9.43 10.34 9.78 8.48	OF CE 34.96 FLA 5.96 20 08M 2025 + 5 34 CAMADAM PACIFIC 6 5.96 10 08M 2025 + 5 3.4 CAMADAM PACIFIC 6 5.96 10 08M 2025 + 5 3.6 CAMADAM PACIFIC 6 5.0 CAMADA	
ANN OF TORYO 11% 40 100 105% 4 10		SMELL CRIMEN 14 % 92	150 2071, -1, 250 250 491, -7, 700 2001, -1, 15 125 126 -1, 100 127, -	7.85 12.34 9.84	DOW CHI MICAL 7 4	
#21.ETUM 7 1, 172 000 90% -1, BLYAWEST PREP 7 7 7 7 1 130 90% -1,	9.29 9.86 9.36 9.35 9.35	STATE PL VECTORER IN 92	200 2021 1 100 70 - 1 250 2071 1 250 04 - 1	9.20 9.27	CMAC 61 70 22 25 084 2034 -1 8 23 184 CMC 07 7 084 51 92 25 084 2054 4 4 5 5 MC DORAL DS CORP 69 92 25 084 206 4 4 6 5	
8 F F F 7 7 7 1 160 914 4 7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	9.40 9.36 9.51	SWEDEN ID 4 92	248 1012 44	9,32 9,26 9,20 9,27 8,97 9,24 9,12 8,86 9,37	HEW ZEALAND 7% 80 13 084 107% -% 114.0 A 33 beamft 10 64.92	
ERP. 11\ 90 11 150 125\ -\ 17 -\ 17 150 125\ -\ 17 -\ 17 150 125\ -\ 18 125\	9.57 9.16 9.31 9.31	SWEDISH EXPORT BY TI. SWEDISH EXPORT II Y 49. TAIYO KORE 11 Y 40.	250 90% 44g 250 203% 44g 256 97% 44g 180 162% 44g 100 180% 44g 160 105% 44g 150 101% 8	9.28	CALCIF MAFA & 92	
#F CASTINAL 1% \$7	9.44	TERRECOCCUP 104 95	150 1014 N 250 1014 -4 250 1014 -4 100 1075 -4	9,41 10,39 11,02 16,90	TRW INC 7 99 11 08m 1031 + 7 0 31 world Bank 7 5 0 20 08m 1125 + 7 0 5 1 0 0 4 95	
EAVADA III- 10 250 1004 +10 100 1034 +10 1034 +10	15.07 15.07 13.07	TIRCH ASIA 22 19 95 TORYD SETTIMONE SHIP 95 TOYOTA MOTER FIN N 95 HINLEYER CAP COAP 93 92	250 971 +27 250 971 +1 100 1621 +1 100 971 +1	9.72 9.83 9.16	LUXURE STEARCHTS Jacob prior week Viole Copperhages TELB4 89	
CAMADEAN PACIFIC 71 14 180 864	1	WELLS FARED 13 & 75	300 931 -13 300 92 -1 300 3091 -1 500 94 -1	9.91 9.61 9.80 8.76	EEC 44 93 600 99 0 4.93	
CENTRUST SAVENESS 0 18	9.15 9.15 9.25 11.25	WORLD BANK 7 92 WERLD BANK 11's 90 WERLD BANK 11's 90	200 1017 -7	9.73 H.47 9.70	MORLD BANK E96	
R.P.   11   19   15   16   17   18   18   18   18   18   18   18	1.72	XPROX CREDIT COMP 184, 87,	758 701', N	9.25	STRAIGHTS STRAIK 54 92 100 100 100 100 100 100 100 100 100 10	
CONT DR AUSTRALIA IN TO 189 1827 - 4 CHENN DR ALSTRALIA IN TO 199 1827 - 4 CHENN DR ALSTRALIA IN TO 199 182 199 199 199 199 199 199 199 199 199 19	9.72 9.72 9.22 9.33	PLORYING BETE HOTES ALASKA HOUSING 1/10 01 ALBERTA PROVINCE À 93	125 484 0 125 484 0 100 1004 -4 300 994 -4 200 975 -5	719	AMED BANK 0 PO	
CHERT MATERIAL 71, 91	3.23	ALLIANCE & LEXSO 08 94 £ AMERICAR S & L D 15 96	300 091 -1 200 977 -7 400 991 -1 258 984 0	. 74	DENMARK B\ 91 100 107 0 564	
BOMBARK 7 1, 12   500   22 1/2   1	9.23 9.25 9.25 9.25	B N L INTI, 43	350 97% -4 350 100 0	74	Comments and the	
#ELECTRIC BK FM 131, 87 200 105 -4 SKB 853 85, 91 100 915 -4 ELECTRIC 97 75 914 9 ELECTRIC 1915 -1	1.11	O N P DS. BANKO DI SICILIA 4 92 BANKO RGM 4 D 8961		777677777968276777	STRAIGHTS	
ELECT 19 191 913 -1 ELECT 191 923 -1 ELECT 191 1913 9 1913	133335 33 33	BANK OF BOSTON & 2000	200 97 -1 200 961 +7 200 991 0 250 981 +1	7B 73	AUST RESOURCES 11 4 92 50 1024 41, 10 81 BK MONTREAL REALTY 92 96 100 977, 47, 9 90 BRANDEL RIODSHEZ 1491 75 108 0 10 99 BR COL PROV 11 4 91 100 1054, 44 10 22	
233 74 75 154 154 154 154 154 154 154 154 154 15	134	RANK OF MENTREAL 7 96. RANGUE INDOSHEE 7, 91 XW L BARCLAYS OF INVY OF BELGIUM 7, 94 E BELGIUM 6, 97 DM	250 7647 +7 100 100 -4 500 1004 0	4H	RR COL PROV 134 91	
ED 10 1 94 200 1825 -4 201 187 1 4 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	9.24 9.24 9.40	BELGIUM 03 BH BAO INTL B.03501 C.C.E.E. 798	250 984 +4 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	72 6%	MONTREAL TRUSTED 81-92 100 94 +5 10 42	
ELEC DE FRANCE (10% 95	9.02	CENTRAL INTL 1/20 00	100 991 -1 250 991 -1 100 992 0		NEW SHUNSWICK 12 45	
ENGLIARD CITE 18 7 92	9.41 8.45 9.53 9.60	CHASE MANNATTAN 1 43	200 961 11 0 0 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1	77.4 74.7 74.7	ECU STRAIGHTS Essed price with Yield REGON N V. 74-95	
EUROPT DEV COMP 12 89 100 100 100 100 100 100 100 100 100 10	1.04 1.02	CHEMICAL N Y. 4 97 DITICORP D/S 4 99 CYTIZENS FED 0 11 94 COMMERZIBANE 9/S FIN 93	100 991 -1, 100 991 -1, 200 991 0		ECU STRABENTS Breed sice week 7 Flets 8 ESON N V 7 19 5	
FARN LIKED CORP 7 1, 13. 109 71 -14 FINLAND 7 1, 97 200 69 +2 TOWN TO 12 1, 94 77 TOWN TO 12 1, 94 77		COUNCIL OF EUROPE 95	100 994 0 155 994 0 350 1004 0	611 72 73 74 02 84	AUSTRALIA & RESC 103.91	
FINALESH EXPORT 91, 72	255	CREDIT FONCIER & OO E	175 994 0	N.	CREDIT FOR DER 74 94	
OPEN LEATTER CRICKET 14 TO   250 700% - 75		CREDITANSTALTA 96	19000007070000077770700007077770700777777	9/4 8/2 7/2	CREDITANSTALT B 3 94	
GAT ME FRANCE 11 4 73 175 1874 49 0 0 1807 44 0 0 1807 1875 1875 1875 1875 1875 1875 1875 187	9.50	FERRO DEL STAT 1/10 95 C	300 100 0 100 1001, -4, 420 100 0 100 941, -7,	717	DEMMARY 74, 96. 250 9774 44 8.01 E.E. 114, 91. 56 1079 44 0 92 E.E. 114, 91. 56 1079 44 0 92 E.E. 115, 91. 100 9754 44 0 93 ELEC DE FRANCE 75, 98 120 9754 44 2 00 ELEC DE FRANCE 75, 98 120 9754 47 7 92 FINNISH EXPORT 75, 92 150 9754 47 7 92 ELLETTE CO 71, 93 150 1014 97, 93 IBM BORLD TRADE 84, 90 159 1014 97, 7 92 IBM BORLD TRADE 84, 90 159 1014 97, 7 92 IBM BORLD TRADE 84, 90 159 1014 97, 93 IBM BORLD TRADE 94, 90 159 100 100 0 836 INTERNISH REF DEV 109 3 100 100 0 836	
GEN FLAT CERT 11 94 100 107 1 100 107 1 1 1 1 1 1 1 1 1 1 1	9.47 9.47 2.22 2.75	FIRST RANK SYSTEM % 97 FIRST CHICAGO & 96 FORD MOTOR CREO % 92 FORTUNE FEDERAL % 92	100 944 -7 125 947 0 200 100 0	7 th 7 th 7 th	FINNISH EXPORT 7 7, 92	
EZU 14 9 1187 44 NEWLETT-PACKARD FIN 0 91 150 60 7 4 NERAM MALKER 16 FF 75 1544 44	14455 1455 1455 1455 1455 1455 1455 145	GENTIANCE 94  MRINDLAYS 94  SW 035 FM 3 94  MALIFAX 8 S. 2/25 95 (B) E  MEXIFER 94  MALIFAX B S. 2/25 95 (B) E	100 943 0 100 994 D 100 99 0	72	ITAL7 93 89 200 1014 0 7.30	
HEWLET-ACCARD FIR 071 150 807 -1 167 167 167 167 167 167 167 167 167 16	15 15 15 15 15 15 15 15 15 15 15 15 15 1	RALIFAX 8 S. 1/10 94 HALIFAX 8 S. 2/25 95 (B) E HESSISCHE LANDESBK 94	100 991 -1 200 991 -1 150 991 -1	0.4 811 612	MOET-HENNESSY 9 91 50 101 4 1 0.26 MODERAL ETY 157 0 4 90 100 101 4 7 7.65 MOTOROLAN 1 92 50 100 7 7 8 48 HEM ZEALAND 0 9 92 50 100 100 7 7 8 8 8	
IRCR   VI	1.43	KELAHO'L OO. IRELAHO'L 96 E IRELAHO 7, 97 ISVEIME 9 7, 90	100 993 0 100 993 N 175 993 0	アファファファクロのファファファラック	SEC PACIFIC AUST OL OO LOD 1000	
200 BE / 1994 FR 9 77 150 665 - 3 BITTER ANDS NEW 114 97 190 1894 - 5 1741 7 54 9 114 97 190 1904 - 5 1741 7 54 9 14 190 1904 - 5 177 ANTILES 115 97 100 1046 - 5 177 ANTILES 115 97 150 150 1046 - 5 ANTILES 15 98 150 150 150 150 150 150 150 150 150 150	1.57 1.34 1.40	ITALY 1, 03 KS IF THAS 0 1111 KORES EXCHANGE ON 7, 00. LEEDS PERMANERT 7, 76 5.	500 200 0 150 42 -1 250 1001 0 200 941 -1 100 941 0	7 % 7 Å	SUMITOMO FIN 9 95	
CERT PLETCORES 10 % 10.  SOC PLETCORES 11 % 10.  SOC P	1.87 1.42	MALAYSIA 4 92 MALAYSIA 4 92	100 94% 0 250 90% 0	71	ADSTRALIAN DOLLAR	
1494   157   158   157   158   157   158   157   158	46 46 0.82	MALAYSIA 4 92 MALAYSIA 5 92 MARINE MIDLARD 5 99 MEUSAN BANK 3 45 MIDLAND HITLE FIN 4 92	250 901 -1 250 911 -1 150 991 0	7 13 0 4	BEATS FINANCE 14 6 92   100 101 % -24 13 64	
RELIGION   17   40   100   101   1   1   1   1   1   1		MID, AND ONT FIN 4 "2"  MILK MARKETING 4 "3"  MITSON FIN ASIA 4 "4"  MORGAN J P 14 "7"  MAT DO CANADA 96.	200 991 0 250 991 0 200 991 +1	611 74 74	STEELING	
ITERSTY NUTULE 19 16   129    94% -13	9.57 1.58 1.69 1.69 1.40 1.46 1.46 1.46 1.46 1.46 1.46 1.46 1.46	NAT BIL CANADA 14 19	197	74	STRUCKIS ISSUE SINCE WHILE VISIO	
SANITURA 11 4 PT 100 105% +4 NATURE 11 4 PT 100 105% +4 NATURE 11 4 PT 100 100 100 100 100 100 100 100 100 10	150 157 157	KA1 WEST FIN 4 92. NATIONWIDE 1/10 96 E	258 991 -1 258 991 -1 350 991 -7	711	SRITISH CRYSTER   11 7, 91	
MERCEDIS CHRIST 71, 91 150 62 8 MERCEDIS CHRIST 71, 91 160 62 8 MERCEDIS CHRIST 71, 91 160 644 - 1 MERCEDIS CHRIST 71, 91 160 644 - 1 MERCEDIS CHRIST 71 71 160 644 - 1 MERCEDIS CHRIST 71 160 644 - 1 MERCEDIS CHRIST 71 160 644 644 644 644 644 644 644 644 644 6	475 425 435 446 447 147	NEW ZEALAND 3, 96	250 100% 0 150 %% 0 125 994 -4	774 914 772	INTED B MER DEV 11 7 95	
######################################		ON C.C. 4.94	250 901 0 100 961 -1 200 981 -1	71 64 73	LEGO PERMANENT 94 92	
MITSOLITET FIRM NK 11 91. 109 1995, N MINEAL CORPUS 1014 90. 100 1211 0 100 MINEAL MAY 157 111 97 259 10914 9 100 MINEAL MAY 111 97 150 10914 -10 11 MITTERIAL A 11 90 10914 -10 11 MITTERIAL A 11 90 10914 1		ZEEL CLYMPOUS ST. SANTA BARRARS SEL, 76. SCOT IN AL FIR. 9 72. SCOTT COUNTY PACP & 97.	200 99 +7 100 991 0 250 275 0	75 75	LEEGO PERMANENT 94, 92	•
MOREAN J.P. 114 92 150 5894 4 1 SECURITIES FIR 11 95 129 99 94 1 SECURITIES FIR 11 95 129 99 94 1 SECURITIES FIR 11 95 120 107 94 1 SECURITIES FIR 114 92 100 107 94 1	44	SWEDEN 1/6 ZIOS	1000 1100 100 170 170 170 170 170 170 17	アの日のアファファア日の名では、今月は、今月に、これでは、は、今月は、は、今月は、日本で、アファのアファのアファのアファクァファクァファクァファクァファクティアの日のアファクティアの日のアファクティア	EMULTY  MARRANTS  CASIO COMPUTEN	
RED SEASURE 114 98 75 1234 44  REW ZEALAND 74 97 200 454 45  REW ZEALAND 75 91 200 954 45		TAIVO L. 00 TANUGIN L. 97 UNITED KINGDOM 92 UNITED KINGDOM -1/0 94 VERENSWEST 0/5 94 MARSURG J. G. L. 2006 WELLERABEOL - 67	250 100 -10 100 100 0 100 953 0 558 100 0 086 993 0 200 993 0 200 943 0 259 975 -1	7 G	MARKANTS	
NEW ZEALAND 75   N	37	MARBURG   G 4 2006	748 G77 _1	744 744 68	RENOWN INC.	
REW ZEALOND 111 / PE.  200 Jahr 4 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		WOODSIDE FIN CULTY97	250 97% -% 150 96% 0 250 99% 0 250 99% 0 30 99% -%	74 74	SUMITOMO CORP 24/01/91 971 0 -1 79 TORAT INDUSTRIES 24/01/91 971 0 -1 79	
PORS MATER 18 9 11. 100 1927	171 157 157 157 158 158 158 158 158 158 158 158 158 158	CONVERTIBLE BURDS AMERICAN BANKERS 54 01	70 075 -5	Press 81.29	UNIT	
ONTTARE TYPEC 11 0 PT 250 183 1 - 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	- A	AREYLL GROUP 4½ 02	### #### #############################	52.10 0 92 10 66 -4.55 -2.60	BOND WARRANTS CHEDT I See 17(2)/22 55 - 14 98	
OFFICED NYSEC 14 15	<b>温</b>	ANEVIL CROUP 45 02 CAMON 300 CASTMAN 800AK 64 01 ELDERS UN 57 FILHIS 1 59 GINAL TAP SAVINGS 75 06 CRACE UNTO 64 02 UTT APPER 54 02 UTT APPER 54 02 LTG 14 02	250 243 -1 100 455 -1 150 815 +15	2000 S	DEN NORSKE CREDIT 8 98	
PEPEED DAY 1, 92 200 92 15 PEPEED CAPITAL BL 91 100 965 H		INTL PAPER 34 62 LTEB 14 62 MCA 34 62 MITSUBISMI NN 14 62	200 H15 -15 200 1065		FRINKSH EXP CREDIT 124 91 21/11/00 004 127	
PETERS CAPTIAL BL. 91 189 965 8 9 1971 1971 1971 1971 1971 1971 1971		ROCKEFELLEN CENTER O OO	952 27% +1.	11 44 -1 48 17 54 -2 77 -2 75 -2 75 -7 87 -7 87	MORDIC INV RAIL 75, 96	
SCHEEL PROVISED 199 199 199 199 199 199 199 199 199 19	_	54155 BAHK CORP 64 90	250 250 - 1 35 781 - 1 120 104 +27	73.96 -3.87	WESTPEC RAMIONN 12% 92 31/01/90 80% -2% 10 87	

STRAFGET BONDS: Yield to redemption of the mid-price. Amount issued is expressed in millions of correctly units except for Yen bonds, where it is in billions
FLAATING BATE NOTES: US dottars unless indicated. Margin above six-month offered rate for US dottars. C.con — correct coupon.

CONVERTIBLE BONDS: US Dottars unless indicated. Margin above six-month offered rate for US dottars. C.con — correct coupon.

CONVERTIBLE BONDS: US Dottars unless indicated. Prem — percentage premium of the current effective price of buying shares via the bond over the most recurr share price.

WARRANTS: Equity warrant preces — exercise premium over current share price. Bond warrant ex yill — exercise yield at current warrant price.

Closing prices on JUNE 3

O The Financial Times Ltd, 1988. Reproduction to whole or in part to any form not permitted without written consent. Data supplied by Association of Internetional Bond Data

oal

24th March, 1988

£125,000,000



#### The Royal Bank of Scotland pic

10% per cent. Subordinated Bonds due 1998

Guaranteed on a subordinated basis by The Royal Bank of Scotland Group plc

Issue Price 1015/s per cent.

Union Bank of Switzerland (Securities) Limited

**Charterhouse Bank Limited** 

Chase Investment Bank

Merrill Lynch International & Co.

Security Pacific Hoare Govett Limited

S. G. Warburg Securities

Banque Bruxelles Lambert S.A.

Baring Brothers & Co., Limited

Crédit Commercial de France

Goldman Sachs International Corp.

**Hambros Bank Limited** 

Phillips & Drew

Kidder, Peabody International Limited

Kleinwort Benson Limited

**Nomura International Limited Salomon Brothers International Limited** 

Shearson Lelunan Brothers International SBCI Swiss Bank Corporation Investment banking

This announcement appears as a matter of record only.

12th April, 1988

ECU 150,000,000



## **European Investment Bank**

71/2 per cent. Bonds due 1996

Issue Price 101% per cent.

Union Bank of Switzerland (Securities) Limited

Mitsubishi Finance International Limited

Banque Bruxelles Lambert S.A.

**Banque Paribas Capital Markets Limited** 

Cassa di Risparmio delle Provincie Lombarde-CARIPLO

Crédit Commercial de France

Crédit Lyonnais

**Deutsche Bank Capital Markets Limited** 

**BNP Capital Markets Limited** 

Banca Nazionale del Lavoro

Banco di Roma International S.A.

Bankers Trust International Limited

Banque Internationale à Luxembourg S.A.

Bayerische Hypotheken- und Wechsel-Bank

Bayerische Landesbank Girozentrale

Caisse Centrale des Banques Populaires

Daiwa Europe Limited Genossenschaftliche Zentralbank AG Generale Bank

Merrill Lynch International & Co.

The Long-Term Credit Bank of Japan (Europe) S.A. **Morgan Stanley International** 

The Nikko Securities Co., (Europe) Ltd.

Rabobank Nederland

This announcement appears as a matter of record only. These Notes have not been qualified for sale under the securities laws of the United States of America.

U.S.\$100,000,000



#### THE TORONTO-DOMINION BANK

8 per cent. Deposit Notes due July 5, 1990

Issue Price 101.0625 per cent.

Union Bank of Switzerland (Securities) Limited

**Banca del Gottardo** 

Banque Bruxelles Lambert S.A.

Banque Internationale à Luxembourg S.A.

Commerzbank Aktiengesellschaft

Goldman Sachs International Corp.

McLeod Young Weir International

The Nikko Securities Co., (Europe) Ltd.

Prudential-Bache Capital Funding

Swiss Cantobank (International)

This aumouncement appears as a matter of record only. These Notes have not been qualified for sale under the securities laws of Canada or the United States of America.

Can. \$300,000,000



BCE Inc.

95/8% Series 4 Notes, Due 1993

Issue Price 1013/8%

Union Bank of Switzerland (Securities) Limited

Crédit Lyonnais

Dresdner Bank Aktiengesellschaft

Generale Bank

**Hambros Bank Limited** 

Nomura International Limited

Merrill Lynch International & Co. **RBC** Dominion Securities Inc.

Salomon Brothers International Limited

Wood Gundy Inc.

McLeod Young Weir International Limited

Merck, Flack & Co.

Richardson Greenshickis of Canada (U.K.) Limited

Vereins- und Westbank Aktiengesellschaft

#### Islamic investment houses fear curbs plan

By Tony Walker in Cairo

ISLAMIC investment companies in Egypt were studying over the weekend a draft law aimed at curtailing their activities, amid indications that heads of these institutions will seek substantial modifications

to the new regulations.

Mr Tareq Abn Hussein, chairman of al Hoda Misr, one of the higgest such institutions, expressed the concerns of fellow Islamic company representatives when be said that the way restrictions and the new regulations could force a slowdown in his bust-

ness activities to the detriment of depositors.

The new law requires investment houses, of which there are said to be about 50 operating in Egypt, to convert their properties. operations to that of joint stockholding companies issuing shares in exchange for

deposits.

They will also be required temporarily to stop taking deposits when the law, awaiting spproval by parliament, comes into force. This is to impose a breathing space on the companies while they decide whether to comply with the new government regula-tions. They are being given three mooths to indicate whether they will accept the

Companies that elect to reconstitute themselves as joint stockholding entities will be given a year's grace. Those that decide against will he given two years in which to

repay depositors.
Islamic investment bouses, which have nndergone phenomenal growth in the past three years, have been operat-ing virtually free of government regulation. Their success has been based on their pay-ment of dividends of 20 per cent, or more, on deposits.

The Government has become increasingly alarmed over the security of deposits. It fears that some of these institutions may be operating pyramid schemes wherehy they pay div-idends out of the funds of new

Islamic institutions, so called because they technically do not pay interest on deposits available from banks.

# **Losses at Koor Industries** expected to reach \$180m

tries - the leading Israeli com-pany responsible for more than 10 per cent of the country's gross national product - is expected to reach US\$180m, far higher than earlier estimates. If confirmed,

Negotiations are underway with an unnamed foreign com-pany to take control of Tadiran, which, together with General Dynamics, recently won s poten-tially huge contract from the US

LAST YEAR'S loss at Koor Indus- army. Several previous court- sidiaries are in sound financial tries — the leading Israeli com- ships have, however, been broken shape. Alliance, the tyre-making

tries — the leading Israeli company responsible for more than 10 per cent of the country's gross national product — is expected to reach US\$180m, far higher than earlier estimates. If confirmed, this would be a record for any Israeli enterprise.

Preparing for the publication of its results, oo June 27, the trades union-owned group is busily engaged in trying to find purchasers for several of its largest subsidiaries. These include Tadiran, the defence and consumer electronics concern, and two large chemical companies, Makhteshim and Agan.

Negotiations are underway with an unnamed foreign company to take control of Tadiran, and take the soult industry ships have, however, been broken ships have, loading to five to five ships have, like ships have, however, been blow last the resignation of thursday with the resignation of thursday with the resignation of thursday with the resig were being made with the company's accountants to find ways ing its assets if it did not first
af reducing the red ink

#### None of the group's bigger sub-

BY WILLIAM DULLFORCE IN GENEVA

for cootravening the gentlemen's agreement under which they undertake to ascertain the identity of their clients.

The convention de diligence

aims at preventing Swiss bank secrecy from being exploited to hide criminally acquired money. The self-regulating device was put in place by the banks them-selves, to ward off sterner official action, after the misappropriation of some SFr2bn (\$1.39bn) clients' funds at the Chiasso branch of

Credit Suisse in 1977. Fines imposed for hreaching this code of good behaviour have

Swiss tackle bank rule breaches

the gravity of the contravention but the financial situation of the bank accused. All the proceeds were handed over to the Interna-tional Committee of the Red

The board notes that not one of the banks pleaded guilty, most of them arguing that they had respected the spirit, if not the letter, of the agreement. The most common fault unveiled by the complaints made to the board through Swiss banks.

A revised agreement has been in operation since the end of last year, following the Swiss National Bank's decision to with-draw as referee. The board has been replaced through the same of the same

SWISS BANKS have been fined in 24 cases over the last 10 years for cootravening the gentlemen's agreement under which they undertake to ascertain the identity of the contravention of the contravention of the contravention about a client's affairs only when it has been the gravity of the contravention that a crime has been the gravity of the contravention.

One important purpose of the convention de diligence is to pre-vent the proceeds from drug trafficking and other criminal activities from heing laundered through Swiss banks.

Fines imposed for hreaching the complaints made to the board draw as referee. The board has this code of good behaviour have was a failure to secure documentaried from SFr2.000 to tary evidence of the identity of a commission, which is empowered SFr500,000, according to a report client. to impose fines of up to SFr10m from the Board of Referees, Bank clients' privacy is still an on defaulters.

#### Volkskas ahead by 17.3% to R71.3m

BY JIM JONES IN JOHANNESBURG

because of the religious ban on den reserves, increased by 17.3 usury, have heen offering per cent to R71.3m (\$13.3m) from returns that far exceed those the previous year's R60.8m, while

VOLKSKAS. South Africa's fourth largest hanking group, increased its disclosed, after-tax profit in the year to March 31, 1988, but says it was unable to spely fully the additional capital it received from UBS Holdings last August.

The taxed profit, calculated after transfers to and from hid-after transfers to a first trans

after transfers to and from hid-den reserves, increased by 17.3 per cent to R71.3m (\$13.3m) from the previous year's R60.8m, while advances to customers rose by

year, from FFr212m the previ-

#### Sommer **Allibert** expands in W Germany

By Paul Betts in Paris

SOMMER ALLIBERT, the French plastics processing group, bas acquired for FFr320m (\$55m) the West German Besmer Triangel coocern, which specialises in wall and floor coverings as well as car-pets and other components for the car industry.

The friendly acquisition is part of Sommer Allibert's efforts to expand its interna-tional presence by investing in industrial activities in foreign

countries. Mr Bernard Deconinck, chairman of Sommer Allibert, said yesterday that the German company had attracted his group because their respec-tive operations were comple-

mentary. Sommer Allibert has become in recent years one of the leading European wall and floor covering manufacturers. It is also a leading supplier to the antomobile industry.

The group had for some time

sought to increase its penetra-tion of the West German market, which accounted for only 8.4 per cent of its total sales of FFr6.7bn last year.

Following the acquisition, West Germany will now sccount for about 18 per cent of Sommer Allibert's total

Mr Deconinck said sales this year would rise to nearly FFr9bn as a result of the

acquisition.
Sommer Allibert is acquiring Besmer Triangel through its German subsidiary, ADT, which is being renamed Sommer Allibert Industrie.

The snhsidiary, qnoted on the Frankfurt stock exchange, is planning s DM66m capital increase to help finance the acquisition, guaranteed by Sommer Alibert International, the Amsterdam based international holding company of the French group set np to finance the international development of the company.

The international holding company will also advance a DM30m eight year loan to the German subsidiary.

Sommer Allihert recently reported a 50 per cent increase in net profits to FFr315m last

NEW INTERNATIONAL BOND ISSUES							
Borrowers	Amount m.	Maturity	Av. IIfe years	Coupon	Price	Book runner	Offer yield
U5 DOLLARS		•	-			·	
Hino Motors##	100	1993 1993	5	44	100	Yamalchi Int (Eur) Nomura Int.	4.125 4.125 4.125 4.125
Sumitomo Bakelite## Settsu Corp.##	150 120	1993 1993	5 5 5 4 7	41 <sub>e</sub> 41 <sub>e</sub>	100 100	Dalwa Europe	4.125
Genze Ltd 🍑 Mitsubishi Heavy Ind.🝑	150	1993 1992	5	41.	100	Dalwa Europe Nikko Secs (Europe) Nikko Secs (Europe) Nikko Secs (Europe)	3.250
Mitsubishi Heavy Ind.	400 200	1992 1995	4	3 <sup>1</sup>	100 100	Nikko Secs (Europe)	5.000
Alçan Finances (d)54	150 250	2003	<b>15</b>	4	100	CSFB Yamaichi int.(Eur)	4.000 4.125
Showa Denko∳∳ Ushlo Inc.∳∳	250 150	1993 1993	5	414	100 100	Oziwa Europe	4.125 4.125
Nippon Express*	400	1993 1993	5	41-	100	Nomura Int. Oalwa Europe	4.125
Nippon Express⊕ Shinko Shoji Co.⊕ Itoki Kosakusho Co.⊕	65 50	1993 1 <i>9</i> 93	<b>1</b> 555555555555555555555555555555555555	(414) (414)	100 100	Nomura int.	*
Copyer Co. P	40	1993	5	(44)	100	Daiwa Europe Yamalchi int.(Eur)	*
Kato Spring Works  Asahi Chemical Ind.	40 300	1993 1993	5	(414) (414)	100	Normura Int.	*
Oaido Sanso	50	1993	5	(44)	7.00	Vamaichi int (Eur)	8 177
18M Credit Corp. 4 Yasuda Tst & Fin.(HIO4	250 150	1991 1993	3	(41) B5 93	101.15	Goldman Sachs Int.	8.926
General Motors Corp.	200	1992	4	91 <sub>8</sub> (41 <sub>4</sub> 1	101 12	Morgan Stanley Int. Yamaichi Int.(Eur)	8.666
Sapporo Brewerles®	300 150	1993 1993	5	(41 <sub>4</sub> 1 (41 <sub>4</sub> )	100	Yamaichi int.(Eur) Nomura Int.	*
Uny Co.4	130	1442	3	(41.46)	100	770,100,00	
AUSTRALIAN OOLLARS							9,500
Pioneer Concrete Fin.54	175	1998 1993	10	91 <sub>2</sub> 131 <sub>2</sub>	100 102	Morgan Stanley Int. Hambros Bank	12.932
Ford Credit Australia Sanwa Australia (e)#4	50 100	1993	5	-30bp	100.10	Sanws Int.	•
						•	
D-MARKS	150	1993	5	64	100	BHF-Bank	6,250
Bond Finance (OM)	150	1773	,		100	2111	
5WISS FRANCS					100	Handelsbank NatWest	0.250
Kaga Electronics***	60 30	1993 1993	- :	74	100 100	Bank Julius Baer	0.875
Takasago Int. *** Yuraku Real Estate**	90	1994 1993	-	(1%)	100	SBC	2.481
Rhone-Poulenc (a)★★◆	100	1993 1993	-	(11g)	101 ¼ 100	UBS	. W
Denki Kogyo Co. ** City of Vienna (a) **	30 75 100	1995 1993	-	31₄	100	Kredietbank (Suitse)	3.250 3.888
Xerox Corp. **	100	1993	-	4 54	100½ 100	UBS	5.125
Ultramar Cap.Corp.♦ Asahi Chemical Ind.★★§	150 200	1996 1993	-	Œ	100	UBS	±
Sasaki Class Co. **	20 30	1993 1993	-	45	100 to	Bank Lev Handelsbank NatWest	4.472 *
Fuji Kiko Co.★★§	Ju	1775	-	Œ	100	(MIDEIDAMIN INCOME	
STERLING							4 750
Settsu Corp.44	50 100	1993 1993	5 5 5	41, 91,	100 101 %	CSF8 Kleinwort Benson	4.250 8.897
British Telecom∳ Japan Oev. Bank∳	100	1993	5	91	1013	Warburg Securities	8.834
Bond Corp. (h)54	100	1998	10	6	100	Salomon Brothers	6.000
E011-							•
ECUs Chase Manhattan (f)◆	60	1993	5	73.	100	Kredietbank Int.	7.375 7.039
World Bank	60 100	1993	5	73 <sub>8</sub> 73 <sub>8</sub>	1013	Bank of Tokyo	7.039
EDENCH EDANCE							
FRENCH FRANCS	800	1993		84	1013	Credit Lyonnals	8.339
CCCCP	000	1112	-	-			
LUXEMBOURG FRANCS							
D'leteren Trading BV***	300 300	1993	5	74 74	100 100½	BGL BIL	7.250 7.122
Rabobank Nederland★☆◆	300	1993	54	174	700-2	OIL	
CUILDERS							
Buehrmann-Tetterode★★	100	1993	5	63	100	Amro Bank	6.375 5.735
Olivetti Int.	200	1993	>	6	1011	CSFB-Nederland	2.735
YEN							
Swedbank (b)+	5bn	1992	44	63	101 % 101 % 101 % 101 %	Morgan Staoley Int.	6.258 6.525
Toronto Dominion Bk(b)+ Toronto Cominion Bk(b)+	,36g 56n	1992 1993	4	7	1015	Goldman Sachs Int. Goldman Sachs Int.	6.525 6.548
Smart Three Ltd. (c)	4.3bn	1993	5	54	101 %	Similtomo Fin. Int.	6.548 4.819 4.714
Smart Three Ltd. (c)↓ Halifax Bullding Soc.↓	20ba	1993	5	5	301-A	Nomura Int.	4.714
Cle Bancaire (g)♦ Finland♦	6bn 15bn	1993 2003	4 5 5 5 5 5 5 5 5 5	514 515 515 515	102	Bank of Tokyo Nomura Secs.	5.038 5.320
Abbey National B.Soc.	15bn	1993	5	54	101%	Oalwa Europe :	4.696

This announcement appears as a matter of record only.

22nd March, 1988



U.S.\$300,000,000

# Republic of Portugal

8¼ per cent. Notes due 1991

Issue Price 1011/s per cent.

Union Bank of Switzerland (Securities) Limited

**Banque Paribas Capital Markets Limited** 

Commerzbank Aktiengesellschaft **Daiwa Europe Limited** 

**Credit Suisse First Boston Limited** 

Merrill Lynch International & Co.

Algemene Bank Nederland N.V. Banque Bruxelles Lambert S.A.

Crédit Lyonnais

Dresdner Bank Aktiengesellschaft

**IBJ** International Limited

Kuwait International Investment Co. s.a.k. The Nikko Securities Co., (Europe) Ltd.

Sumitomo Finance International

Bank of Tokyo Capital Markets Group

Crédit Commercial de France **Deutsche Bank Capital Markets Limited** 

Goldman Sachs International Corp.

Kredietbank International Group

Morgan Stanley International

Prudential-Bache Capital Funding Westdeutsche Landesbank Girozentrale New Issue May 26, 1988

société nationale elfaquitaine

ECU 50,000,000 7% per cent. Notes due 1993

**Deutsche Bank Capital Markets** 

**Bankers Trust International** 

This advertisement appears



compares

## Sound Diffusion restructure and reorganisation

Sound Diffusion, electrical equip- 1987 when Sound Diffusion first ment leasing group, will today delayed its results and then announce a comprehensive amounced that it was locked in restructuring and reorganisation dispute with its auditors. Eventu package, following a complete ally, the auditors had their way review of the group's operations and Sound Diffusion's chairman,

Brighton-based group, and will earlier estimates.

The resulting shareholders' rebellion led to Mr Stonor's resignates. shed since the new directors took charge in November last year.

Mr David Macdonald, the new

chairman, is reorganising the group on regional lines, rather than the product-based divisions which previously existed. The old system resulted in overlapping sales teams and confusion for the customers, who were often-approached by several different representatives of the company selling different products. As a further part of the reor-

ganisation, three new executive directors have joined the board — Mr Gordon Webster, Mr David Rosbrook and Mr Terry Rance — as operations director, technical director and personnel director respectively.
It is a substantial overhaul for a company which has been dogged by controversy for the past three years. The problems began in the last quarter of 1964 when a series of cancellations

Sound Diffusion's own brokers. were forecasting £12m pre-tax for 1984, the company eventually announced that the out-turn was only £7.44m. And the company did little to repair its relations with the City when it missed its profits forecast for the following

ear. him the chance to restore Sound.

The crisis came to a head in Diffusion to financial health.

by the new management:

The reorganisation will result report pre-tax profits of £5.7m, more than £4m lower than his estimates.

nation and the arrival of Mr Macdonald, a director-general of the Takeover Panel between 1977 and 1979 and Mr Francis Howard, the former finance director of Char-ter Consolidated.

Almost immediately, the new management was faced with a takeover approach from Tunstall the security equipment group.
Amongst the equipment that
Sound Diffusion leases to hotels
and nursing homes are fire
alarms and communications systems; Tunstall, which makes emergency alarm equipment, thought there was logic in a

merger.
Although Sound Diffusion rejected the approach, Tunstall still owns 4.9 per cent of the ordinary equity, and it recently added 17.8 per cent of the group's convertible preference shares.

So Mr Macdonald realises he began in the last quarter of 1964 has to produce results quickly if when a series of cancellations the group is to remain indepenant delayed new orders caused a dent. One important step has check in the company's — until been taken; a complete review of then — impressive profits record. resulted in an exceptional charge of £3.68m against last year's prof-its, creating a £5.66m pre-tax loss.

Although the write-off forced Sound Diffusion to make a £10m rights issue to raise extra capital, Mr Macdonald hopes the institu-tions who backed him will give

#### **Rockwood acquisition**

Rockwood Holdings, the USM- British & Commonwealth Hold-quoted group with interests in ings prior to a director buy-out. It distribution services, electronic suffered a pre-tax loss of £562,000 components and security consul- in 1987, on turnover of £82m, tancy, has acquired the Walford The acquisition increases Rock-Meadows Group of companies, a wood's international distribution leading international freight for profile, as Walford Meadows has

warder, for an initial f5m: An offices throughout the world, additional f1m may be payable. including the US, the far east, Walford Meadows was part of Africa and Europe.



First Leisure Corporation PLC

£50,000,000

Sterling Commercial Paper Programme

Arranged by

Hill Samuel & Co. Limited

Dealers

County NatWest Limited Hill Samuel & Co. Limited

Morgan Grenfell & Co. Limited

This advertisement is issued in compliance with the requirements of The Stock Exchange. It does not constitute an invitation to any person to subscribe for or purchase any shares.



a refer high, man, come is not **Crown Communications Group PLC** (formerly Crown Television Productions PLC)
(Registered in England, No. 866598)

INTRODUCTION

an water the transfer of the Unlisted Securities Market

> Share Capmu ordinary shares of 10p each Share Capital

£1.687.034

Crown Communications Group PLC (the "Company") was formed by the merger of Crown Television Productions PLC and Chalford Communications Limited and the enlarged group's business is that of investment in independent local radio, the provision of television facilities and the provision of corporate

Application has been made to the Council of The Stock Exchange for the grant of permission to deel in all the ordinary shares of 10p each in the Company in the Uniteted Securities Market. It is emphasised that no application has been made for the securities to be admitted to the Official List. It is expected that dealings will recommence on Thursday 9th June, 1988.

Particulars of the Company are available in the Extel Statistical Services. Copies of such particulars are available during normal business hours on any weekday (Saturdays and public holidays excepted), for collection only, from the Company Announcements Office of The Stock Exchange until Wednesday, 8th June, 1988 and up to and including Monday. 20th June, 1988 from:-

**Grown Communications Group PLC** Crown Television Centre Claygate

A member of The Royal Bank of Canada Group

Surrey KY10 OJP

71 Queen Victoria Street London EC4V 4DE

Kitcat & Altken & Co."

#### **WCRS** expands via Taiwan deal

By Flona Thompson

WCRS, the advertising agency, has extended its Pacific Basin operations through an acquisithrough an acquisi-tion in Taiwan. It has pur-chased an initial 40 per cent interest in Intelligent Adver-tising Agency and plans to acquire a further 40 per cent in five tranches of 8 per cent

WCRS is to pay £450,000 for the first 40 per cent, through the issue of new WCRS shares at the mid-market price ruling on June 80. The maximum consideration for the 80 per cent

holding is £2.7m. Intelligent, one of the top 15 agencies in Taiwan with billings of over US\$9m (£5m), will be renamed The Ball Partnership Taiwan. It employs 50 people and includes Philips, Castrol Oil, Sharp, Mazda and Canon among its clients. Pre-tax profits for the year ended December 81 were T\$8.3m (approximately £154.000).

Australian fund lifts water company stake

Associated Insurance Pension Fund has increased its stake in Mid-Sussex Water Company from 16.7 to 17.2 per cent of the voting capital.

AIPF is an Australian pension fund which has been

building up investments in three adjacent statutory water

It has declared a 25.8 per cent stake in East Surrey Water Company and a 20 per cent holding in West Kent Water Company. The compa-nies said they believed AIPF's intentions were friendly.

FT Share Service

The following securities were added to the Share Information Service in Saturday's edi-

Clinton Cards (Section: Stores). Dudley Jenkins (Paper). Johnston Press (Newspa-

pers).
Kitty Little (industrials).
Merchant Manufactury
Estate (Property).
Moorfield Estates (Property).

ALUMINIUM

26th October 1985

or write to HTM st

FINANCIAL TIMES

NORTHAMPTOMBHIRE

21st June 1988

Anthony G Hayes on 021-454-0922

or write to him at: Financial Times George House George Road Edgbaston

FINANCIALTIMES

The Financial Times repeats to publish this survey on:

r a full editorial synopsis d advertisament details, please contact:

Pisancial Times George Houset George Road Edgheston mingham B15 (PG

The Financial Times proposes publish this survey one

year ended February 31 1988, after a payment to retiring direc-Morris Ashby (Engineering). Porvair (Chemicals). Resort Hotels (Hotels). tors of £145,000. Net assets were £587,000. An initial consideration of £1.45m will be paid with £725,000 in cash, £325,000 in shares and £400,000 in convertible preference

shares. A further payment of up to £543,500 will depend on profits. INTERNATIONAL INVESTMENT Trust Jersey has exchanged con-tracts for the sale of Appold Street freehold property in City for £3.55m gross. Proceeds will repay £1m indehtedness and expand general investment portfolio. Property stood in books at £1.73m and produced rent of £100,000 last year.

**SWEDEN** 

The Financial Times proposes to publish this survey on:

June 16th

For a full editorial synopsis and advertisement details, please contact:

Chris Schaanning on 01-248 8000 ext 3699

or write to HIM at:

Bracken House 10 Cannon Street London

EC4P 4BY

**FINANCIAL TIMES** 

U.S. \$50,000,000 **IBM Credit** Corporation

Floating Rate Yen Linked Notes due 1995

in accordance with the provisions of the Notes, notice of the Notes, notice is hereby given, that for the six months interest Period from June 6, 1983 to December 6, 1983 the Notes will carry an interest rate of 8% per annum. The amount payable on December 6, 1983 against Coupon No. 5 will be U.S. \$408,87 per U.S. \$10,000 principal amount. By: The Chase Manhettas Back, N.A. London, Apart Seak

June 6, 1988 **BfG Finance** 

Company B.V. U.S. \$100,000,000 FLOATING RATE NOTES DUE 1996 tance with the provisions of the Nores, norice is hereby given that for the Interest Period 6th June, 1988 to 6th September, 1988 the Notes will bear interest at the rate of 71416% per amman.

The Coupon amount per U.S. \$10,000 Note will be U.S. 5199.65. est Payment Date will be 6th September, 1988. mel Montage & Co. Lim Agent Bank

Nikki Tait on the controversy surrounding the proposals by TR Natural Resources

# Minority squeezed into unenviable position

Nov 196 Pletou tekse 29% steks

Sept '87

Upheavals in the investment How the Trust's performance trust sector are scarcely news these days and changes afoot at TR Natural Resources, an £85m fund and still nominally part of the Touche Remnant stable. might normally pass with little comment. But it looks as if a few unexpected sparks could fly at tommorrow's extraordinary meet-

Amongst a heap of proposals for the trust — including new management, new name, new investment policy, and a scrip issue of warrants — is a suggestion that the managers should be able to take a few chunkier investments if they so wish. In formal terms, this requires a

change to the articles of association. An amendment to permit single investments of up to 15 per cent of the company's assets, provided these do not account for
more than 40 per cent of assets
overall, is being proposed. For
the remaining 60 per cent, single
investments of np to 15 per
per cent should go into investments keeping to the 3 per cent
imit. (That, then, implies a minimum 25 investments overall).

It should be said that many
investments should not exceed 3
trusts do not have such a restriction written into their articles,

(4.25 per cent against 3.5 per

shellfish

supplier

By Vanessa Houlder

pany, has hought the Sefton

August and follows the purchase

with the company's strategy of acquiring food companies with

favourable positions in growing

or segmented markets. Sefton Meadow processes, imports and distributes fresh and

frozen shellfish to retailers, cater-

ers and wholesalers in the UK

and Europe. The company made pre-tax profits of £192,000 for the

Britain's larger insurance compa-investors are halieved to be prefarence shares and a 75 per nies. Their atandard formula unhappy at what they see as a cent majority is required, the requires that 40 per cent of assets retrograde step.

are devoted to investments which And, it seems, they may have do not exceed 8 per cent of the sufficient clout to block the pro-rick Pease conceded that the total portfolio each. The other 60 posed amendment. The grouse motion could fall.

1300 1982
Name changed from Sphere to TR Natural Resources and investment policy stored 900 700 500 TR Natural Resources j 500
300
Investment Trusts price Index

Unfortunately, this cuts and that official restrictions are cent). straight across a long-standing less stringent. Nevertheless, Sinc investment guideline adopted by some of TRNR's institutional institutional investors are halfeved to be preferenced.

per cent should go into invest-ments keeping to the 3 per cent limit. (That, then, implies a mini-to get no benefit from any riskler

Platou, which describes itself the change in investment policy as the second largest investment may well be welcome. That said, company in Norway, made clear minority shareholders have

Since a very small number of odds on a rebuff look high. Last week, even TRNR chairman Der-

#### **COMPANY NEWS IN BRIEF** Perkins buys BARBICAN HOLDINGS, the PRIEST MARIANS Holdings has

Perkins, a USM-quoted food com-

Meadow Group, a shellfish sup-plier, for a maximum of £2.09m. The acquisition is the second some £30m, and proceeds will freehold properties, Langham greatly improve gearing follow Estate, which it bought in Februing recent purchase of Centrovingary. made hy the new management who joined the company last of the Baxter Group in April. Mr Howard Phillips, chief executive, said the deal was in line

FORD SELLAR Morris has sold the company is moving to revital-15 office and retail properties for ise by active management the 170

accounted for by properties in October last). Available revenue for ordinary shareholders for half GROUP DEVELOPMENT Capital year to April 30 £924,000
Trust Net asset value per 100 (£878,000) after tax of £389,000 Trust: Net asset value per 10p (£878,000) after tax of £389,000 share 35.4p (36.7p) at March 31 (£340,000) and preference divi1988. Available revenue for the dends. Earnings 2.56p (2.44p) and six months to end-March £170,615 interim dividend 2.3p (2.125p). Comparative figures restated.

#### BOARD MEETINGS

The following companies have notified dates of tournd meetings to the Stock Exchange. Such resettings are tausely hald for the purpose of considering dividends. Difficial institutions are not evaluable as to whether the dividends are indevites or fluxes, and the sub-divisions thouse below are bastes mainly on last year's fenetables.

TODAY

Alexon group \_



#### The Export-Import **Bank of Korea**

Floating Rate Notes due 1995

for the six months interest Period from June 6, 1988 to December 6, 1988 the Notes will carry an interest Rata of 61/6% per annum. The interest payable on the interest payment date, December 6, 1988 against Coupon No. 6 will be U.S. \$20,651.04 and U.S. \$413.02 respectively for Notes in denominations of U.S. \$500,000 and U.S. \$10,000.



#### TOPS SERIES III LIMITED

Series III Floating Rate Trust Obligation

Secured by a Charge on a Portfolio of Fixed Rate Bonds and Notes with an aggregate principal amount of U.S. \$159,810,000

For the period 2nd June, 1988 to 2nd December, 1988 the securities will carry an interest rate of 8.15% per armum with a coupon amount of U.S. \$10,357.29 per U.S. \$250,000 denomination and U.S. \$20,714.36 per U.S. \$500,000 denomination, payable on 2nd December, 1988.

Listed on the Luxembourg Stock Exchange

Bankers Trust Company, London Agent Bank Notice of Early Redemption

> U.S. \$300,000,000 ireland Floating Rate Notes due 1994

Conditions of the Notes, at the offices of any of the Paying Agents who are listed in the Terms and Conditions of the Notes.

June 6, 1988

YICTORIA HALL COMPANY, LIMITED MISSII DOG DOG GUARANTEED FLOATING RATE NOTES DUE 1992 to secondarion with the Terms and Conditions of of towerest for the period june 6, 1988 to Decreater b. 1985 will be 1975% p.a. and the amount payable per USS 0.000 denominations

the Notes, notice is hereby given that the Rape

will be U.S\$405-40 and per U.S\$80,000 denominations will be U.S\$4,051-96 Just & 1988 CITIEANNO By: Colomik N.A. (CSS Dept.). Agent Brok

industrial property and services contracted to sell Vicarage Farm company that was recently Road, Peterborough for £2.7m quoted under rule 535 (2), has cash and Peartree Business Cen-joined the Third Market. The tre, Colchester for £1.65m cash, introduction was sponsored by These are the last properties in CGS Securities.

Fraser department stores. Some asset value per 25p share 257.3p 225m of total disposal price at April 30 1988 (238.7p at end

U.S. \$100,000,000



in accordance with the provisions of the Notes, notice is hereby given that

By: The Chase Manhetten Bank, N.A. London, Agent Bank



(Incorporated with limited liability in the Cayman Islands) U.S. \$110,000,000

Participation Securities due 1992

Notice is hereby given in accordance with condition 6 (b) of the Terms and Conditions of the Notes, that all outstanding Notes will be redeemed at their principal amount on July 13, 1988 when interest on the Notes will cause to accrue. Payment of principal together with payment of interest in respect of Coupon No. 9 will be made in accordance with Condition 5 of the Terms and

By: The Chase Manhattan Bank, N.A. London, Flocal Agent

Quite why TRNR ever wanted look for world financial markets, this wider investment freedom in including in particular the natute first place is something of a real resources sector".

Platou bought a 28.8 per cent stake in TRNR. In September last year, it followed up with a hid for a controlling interest, saying that it was happy with its investment and wished to increase its expo-

that it envisaged a stake of just undoubtably been squeezed into over 50 per cent and planned to an unenviable position. The disretain both the listing and count to assets on the trust Touche Remnant as fund managers, the terms of the with little prospect of corporate of the count to assets on the trust stands at a hefty 27 per cent, ers. However, the terms of the with little prospect of corporate of the country of the cou ers. However, the terms of the with little prospect of corporate offer – 94 per cent of nav in cash or 95 per cent in Platou share – that fact, and the current level of and were strongly rejected by TR.

bid or no change. Now, having acquired 50.1 per

myetery. "You may wall ask what the point of the change was," says Mr Pease, adding firmly that no specific investments had been lined up.

But, then again, some shareholders may feel that events at company, Marathon, to handle investments. TRNR has condimental clear for come while crystal-clear for some while.

The recent upbeavals have their origins back in November 1986, when an unlisted Norwegian investment company and their origins back in November 1986, when an unlisted Norwegian investment company and the same of the

Clearly, the sequence of events has been quite legitimate, and the shares, investors may be reluctant to sell. But if they stay and were strongly rejected by it.

When TR proposed to draw up its
own plans, Platou said it would
block any in-house reconstruction. In short, shareholders were
effectively left with the Platou
thid are no change. ment groups - in a cituation where they have no control.

cent, Platou wants to alter the investment policy and managers.

This change of heart, it says, is prompted by "the uncertain out-

#### PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except when the forthcoming board meetings (indicated thus ) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement

Final 7.9 Interim 4.0 Final 35 Final 18

SPONSORED SECURITIES £000's Company 7617 Ass. Brit. Ind. Ord .... Ass Brit. Ind. CDLS ....... Annitage and Rhodes ....... BBB Design Group (USM) Bargon Group Com. Pref. 6.7 3.7 10.2 11.0 -4.6 4.0

CCL Group Drd/n2r7 \_\_\_\_\_ 42 92 61 10.3 3.7 

Securities designated (SE) and (USBO) are dealt in subject to the rules and regulation Exchange, Other securities listed above are dealt in subject to the rules of TSA These Securities are dealt in strictly on a reasoned burgain basis. Meither Granuffle & Co nor Granuffle

Gesaville & Coupesy Licated 8 Lovet Lane, London EC3R SEP Telephone 01-621 1212 Member of TSA

S Levet Lane, Leadon ECSR SRP
Telephone 01-621 1212
Member of the Stock Exchange & TSA

BankAmerica Corporation

U.S. \$400,000,000 Floating Rate Subordinated Capital Notes Due 1997

Holders of Notes of the above issue are hereby notified that for the next Interest Sub-period from 7th June, 1988 to 7th July, 1988 the following will apply: 1. Interest Payment Date: 7th September, 1988

4. Accumulated Interest

2. Rate of Interest for Sub-period: 7%% per annum 3. Interest Amount payable US \$325.52 per US\$ 50,000 nominal for Sub-period:

Amouni payable: per US\$ 50,000 nominal 5. Next Interest Sub-period will be from 7th July, 1988 to 8th August, 1988.

Bank of America International Limited Provinsbanken A/S

U.S. \$60,000,000

Floating Rate Capital Notes 2000

For the six month period 6th June, 1988 to 6th December, 1988

in accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 616 per cent per annum, and that the interest payable on the relevant interest payment date, 6th December, 1968, against Coupon No. 6 will be U.S. \$204.92.

S.G. Warburg & Co. Ltd.

Agant Bank

FINANCIAL TIMES STOCK INDICES 
 June.
 June.
 May.
 May.
 May.
 May.
 1988
 Since Compilation High | Low

 89.43
 89.50
 89.60
 89.97
 89.91
 90.07
 91.43
 86.97
 127.4
 49.18

 98.32
 98.36
 98.36
 98.62
 98.67
 98.67
 94.14
 105.4
 50.53

CHASE

 Ordinary
 1444.4
 1443.4
 1439.6
 1427.5
 1430.0
 1430.4
 1478.7
 1349.0
 1926.2
 49.4

 Gold Mines
 232.1
 224.0
 224.5
 217.3
 215.7
 216.0
 312.5
 195.4
 734.7
 43.5

 FT-Act All Share
 938.84
 934.42
 932.77
 923.52
 923.48
 923.83
 951.46
 870.19
 1238.57
 61.92

 FT-SE 100
 1819.2
 1810.3
 1805.7
 1784.4
 1783.7
 1785.3
 1855.5
 1694.5
 2443.4
 986.9

4 23

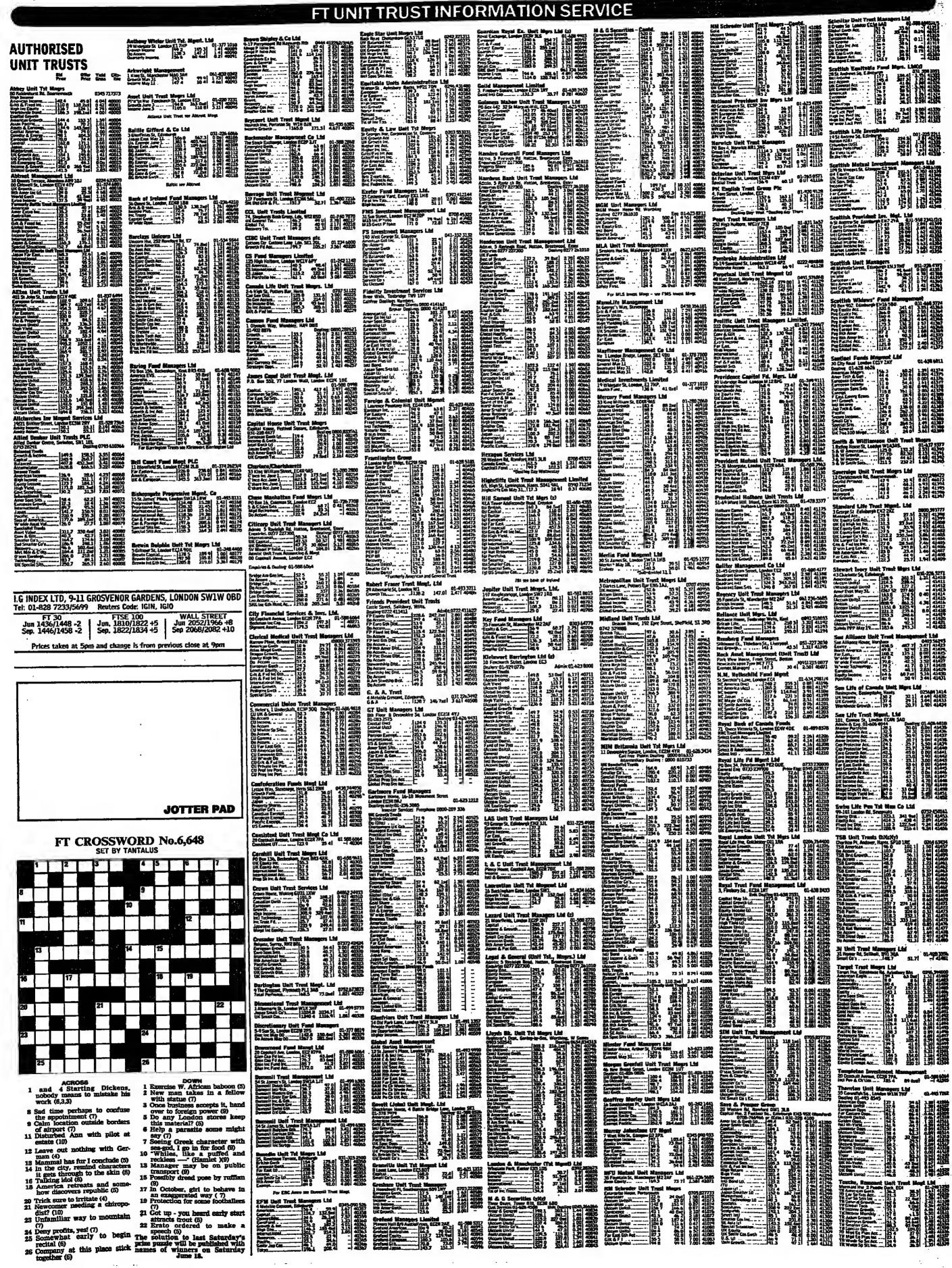
.

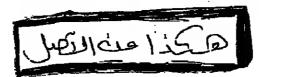
ets

bank

7

\*





Constitution of the second

THE STATE OF THE S

George

Bashananan a

Total Maga

200 mg

Egriba Francisco

Accompanied (S)

t kie

Financial Times Monday June 6 1988 33 457.6 195.1 195.1 195.1 195.1 195.1 195.4 195.4 195.4 195.7 195.7 Lamerrate House, Parl American Australian ... Austr - 419% - 4187 - 4187 - 4190 - 97.3 92.9 112.4 125.8 80.0 125.4 165.0 114.1 116.1 323.81 | 571.0 | 571.0 | | 1902.60 | 902.60 | | 1547.40 | 547.40 | | 174.06 | 177.62 | -| 41686 -| 41687 -| 41689 -| 41699 Stamped Function 11. 319 Se
Descentialize Life
29 Generated St., W18 Sec.
39 Generated St., W18 Sec.
310.1 IN Enable
World Generate
1. 140.3 Inc.
1. 140.3 I Gresham Unit Acces
2-6 Prince of Wases Mr. 8
Could an September Street
Could an September Street
European Format
European Growth
Flast Irl.
Stock Growth
Income Isl.
Income Is 87 0 178 1 178 1 178 1 188 1 189 72.64 77.68 77.78 77.79 77.75 71.75 Emity Units 70, 28 Property Units 20, 48 20, 49 22 City of Edinburgh Life Assertance 46 Carriente Sa, Edinburgh EM2 440 0, 20 City of Edinburgh Life Assertance 46 Carriente Sa, Edinburgh EM2 440 0, 100, 114, 100 114, 10 - 42396 - 42401 - 42401 - 42401 - 42404 - 42404 - 42405 41706 41707 41708 41709 41710 41711 41712 41713 41714 41714 41716 41717 Eagle Star Reservance Co Ltd

Eagle Star Reservance Co Ltd

Eagle Star Reservance Co Ltd

Eagle Star Controlled GLS 710

Star Fred

Star Find Controlled GLS 710

102 1192

Fredering Ford 152 4 157 7

Fredering Ford 153 6 157 7

Fredering Ford 153 6 157 7

Fredering Star Controlled 153 6 157 7

Fredering Star Controlled 114 7 127 0

Fredering Fordering 114 7 127 0

Fredering Metallogue 100 3 105 6

Fredering Metallogue 100 3 110 0

Fredering Metallogue 100 110 110 0

Fredering Metallogue 100 110 110 0

Eagle Star Instar Militelland Assur.

1 Trendering Star Instal MCSM Assurance

MCSM Assurance

MASM House, News Ro

Mask Ro

Parties Basia Acc.

Manager Acc 925 344 4 1724 1724 1724 1724 1724 1724 1724 1724 1724 1724 1725 1 - 448 249 2 249 2 249 2 152 7 1334 5 146 3 139 4 109 1 248 6 337 6 177 5 117 3 116 7 128 7 147% 147% 147% 84.0 112.5 138.3 154.0 196.9 1618 6620 672.4 173.9 167.2 167.2 168.2 168.2 168.3 16 224 9 458.6 96 0 81 0 459.9 1915. 1927 268.4 268.4 268.4 272.9 97.0 101.4 105.2 101.4 105.2 105.2 107.0 42427 42429 42430 42431 | 110.3 | 14.3 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 | 02% 973100 - 42194 - 42200 - 42201 - 42202 - 42203 - 42204 - 42204 - 42209 - 42209 - 42209 - 42209 | Crowth & Sec. Life Assoc. Sec. Life | Mill Green Rd, Raymards Rb. W Secset | 0444-4133(7) | 79.06 | 79.06 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | 79.07 | Manifestal Pre-wide
48 Grace-hourt St. Lo
fishinged
int Eguite
Derreta Ex
Americas
Americas
Proporte
Fined bri
Indirect Gari
Ocean
Hann Indirect
Man Intital
Man Intital
Manifestal
Manifes The LAS Errorg

III George St. Effichencyls

LAS bored poort flatament

III George St. Effichencyls

LAS bored poort flatament

III Employee

J. 49 9

Property

J. 49 9

Property

J. 40 9

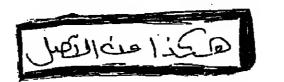
Reserved St. 40 9

Reserved Lapan & St. 40 9

Reserved La 84.4 244.3 185.3 140.1 241.8 111.7 120.5 110.5 120.7 247.7 220.7 01-263 7201 \$31-225 8894 \$45.77 \$45.77 \$45.77 \$45.77 \$45.67 101.3 101.2 107.9 113.5 101.7 106.9 107.6 107.6 107.6 107.6 107.6 230.3 370.7 250.1 172.8 100.6 100.9 200.9 200.9 45.3 138.0 138.0 138.0 138.0 138.0 138.0 Identhant Investor
Part of the Mi Group
Loss Hours, 233 High S
Procesty
Pend S
Procesty
Pend S
House House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
House
H 520.4 544.3 340.3 277.6 114.9 213.7 347 0 427.5 5247 7 544 7 546.5 340.5 340.5 340.5 340.5 74.2 74.9 199.0 297.1 197.9 159.1 168.8 171.5 223.0 189.5 278.3 1709.6 122.4 182.1 104.8 237.2 168.3 199 0 190 0 190 0 190 0 190 0 190 0 190 0 190 0 190 0 190 0 190 0 American Life Intervance Co 28 Aityre Read, Ortydox CN 7215 Asian Empa Lin Managus Arc. 76.9 2 American Arc. 16.7 7 Europain Arc. 107.7 2 Europain Arc. 108.8 1 Fiscal interval Arc. 108.8 1 Fiscal interval Arc. 108.9 7 Property Arc. 107.9 2 B 1 C.A. Accention 107.9 2 B 1 C.A. Accention 107.9 2 B 1 C.A. Accention 107.9 2 Managus Arc. 107.9 2 Managus Arc. 127.7 1 Managus Arc. 127.7 3 Other wat principal Line 3 Managus Arc. 107.9 1 Managus Arc. 107.9 3 Other wat principal Line 3 Other wat principal mall Line 107.3 3 Norwich Union Asset Management
PO Box 124, Norwich RRI 1,15
HAMAN Frants
Managed Fund
Succession States May 1,25
HAMAN Frants
Managed Fund
Succession States May 1,25
Haman Fund
Haman Fund - 4245 - 4245 - 4245 - 4246 - 4246 - 4246 - 4246 - 4246 - 4246 - 4246 - 4246 - 4246 - 4246 - 4246 - 4246 - 4246 - 4246 - 4246 3745.0 545.4 668.7 585.3 494.3 325.7 542.2 230.1 150.8 209.4 FS Assurance Limited 190 West George St, Campus E. Pers Barbard Geb Fd Co., 31.7 Pers Barbard Geb Fd Ac., 34.8 Cesh Deposit. Cas., 34.8 Cesh Deposit. Accord., 34.6 Cesh Deposit. Accord., 36.6 -1 41768 -1 41768 106.21 136.6 149.4 0444 459721 - 42254 - 42267

FT UNIT TRUST INFORMATION SERVICE	Financial Times Monday June 6 1988
Frantington Prolific Life & Pensions Ltd (2) Regency Life Assurance Co Ltd Revolution Prolific Life & Pensions Ltd (2) Regency Life Assurance Co Ltd Revolution Prolific Life & Pensions Ltd (2) Regency Life Assurance Co Ltd Revolution Prolific Life & Pensions Ltd (2) Regency Life Assurance Co Ltd Copid March Financial Management Ltd PR Belief Assurance Co Ltd Copid March Financial	Property St. Lineau Colin Tries H1100
Prolific Life & Pensions Life (c) Strampers, Kendin Centric Life & Pensions Life (c) Strampers, Kendin Centric Life & Pensions Life (c) Strampers, Kendin Centric Life & Pensions Strampers, Kendin Centric Life & Strampers, Kendin Centr	Loaden Appets Nor.   16.2   49.035   PO Box 200. Survive Proc. Cournier   540.045   16.2
Social Ste Press Act	# 1994   1994
Principle   10.5   10	Fel.   13.32   43.23
Amerikans From 1	200   200
Part	Lorente, ECSA   GL-992 sector   GL-993 secto
April Gard Ford (A) 501.7 April Call Ford (A) 502.4 April Call Ford (A	Color   Colo
Control of Control o	Search   S
MAN, POR CAN US 700 DETECTION OF THE MAN CONTROL OF THE MAN CONTROL OF THE MAN CONTROL OF THE MAN CONTROL OF THE CONTR	Company   Comp
30 Usbridge Rd, London W12 8PG 01-749 9111 International Lettors	10   10   10   10   10   10   10   10
Front interest Acc. 132.4 162.7 162.6 162.	Serving & Co 1.5d  North Assertion Energy   30,547   0,607    North
Property Initial   150.1   170.2   170.7   185.0   170.7   185.0   170.7   185.0   180.5   1	13 79   13 85   854   4554     Asset
No.   Special star	unier Fin Migrat Buti Ltd Peter Fox Germer   Ger
Japan Acc.   104   4461   102   4462   102   4465   102	Figure   1   105   0   77   45514   1050   1700   112   44150   1700   1
Single Feature   157   29.71   -1 43472   -1	Frankii Partifello Fé Hingt List Fourtises Bond
Provident Life Assoc Life Provident September 1997   1979	127.4   127.5   4.21 456.37   127.6   4.21 456.37   127.5
Pers Black (Unit) 7 = 1.00. \$2.1. \$2.7 \$2.7 \$2.7 \$2.7 \$2.7 \$2.7 \$2.7 \$2.	Continue
Series Linke As 197. 3 45.2 3	
Decreies Signify Sett. 226.7 266.2   1.255.7 2	2 DK151.092 [ 7.67] 45667 V harmon many many many many many many many man
Certifia int Growth. 118.2 176.5	BINATO 009   2,10   05408   10   10   10   10   10   10   10
From 1 170 o 120 o	SA 09 - 45707 SAF CAMB 1 13 305 SAF CAMB 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Control of Funds   1962   1963   1964   19	REC   Price are available 24 teneral size on 1   1   1   1   1   1   1   1   1   1
Predential Pensions Limited  Predential Pensions Limited  Far Eastern 1945 1955 1955 1955 1955 1955 1955 1955	rm Famil Chymnath Lful Spring Famil Chymnath Lful Spring Famil Chymnath Lful Spring Famil Famil Chymnath Chymna
Color   Colo	Sect Funds 62D  30. 31 The Person, St. Heller, 1021  40. 40. 40. 40. 40. 40. 40. 40. 40. 40.

WA.



6 1958

181

THE STATE OF

The same

ATABLE STATES STATES A

PANCES

Life According

[2] [四 [2] (明 [2] (明

200

124

The state of the s

THE CASE OF THE PARTY OF THE PA

THE REAL PROPERTY.

42.

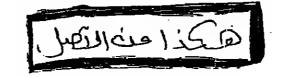
To Company

Financial Times Monday June 6 1988 35 LONDON SHARE SERVICE **BRITISH FUNDS FOREIGN BONDS & RAILS BRITISH FUNDS - Contd** Price + or Yield OTHER OFFSHORE FUNDS Index-Linked **AMERICANS** (1) (2) 120 G - 5 8.76 100 G - 1 225 137 H - 1 360 112 5 - 1 360 112 5 - 376 111 6 - 376 107 H - 378 107 H - 3 INT. BANK AND O'SEAS GOVT STERLING ISSUES - 46290 - 46241 - 46242 - 46243 - 46244 - 46245 Five to Fifteen Years Le Feeds International Canages For them Nature York 11 Librem Bales York 11 Librem Bales Grops 11 Librem Bales Grops 11 Librem Bales Grops 12 Librem Bales Grops 12 Librem Bales Grops 12 Librem Bales Grops 12 Librem Bales Grops 13 Librem Bales Grops 13 Librem Bales Grops 13 Librem Bales Grops 13 Librem Bales Grops 14 Librem Bales Grops 14 Librem Bales Grops 15 Librem Bales Grops 16 Librem Bales Grops 17 Librem Bales Grops 18 Librem Bales Grops 17 Librem Bales Grops 17 Librem Bales Grops 18 Librem Bales Grops 17 Librem Bales Grops 17 Librem Bales Grops 18 AEbra Inti Am Exchange ri Commodity (S) Dollar Descal, (S) **CORPORATION LOANS** end Coronata Francisco (Salaria) ettos Salaria - SSS 79 34.73 4.85 451.57 ettos Salaria - SSS 45 51.77 - 451.56 COMMONWEALTH & AFRICAN LOANS LOANS Over Fifteen Years 1561 | Comment | Comm Section 1 and 1 an Rayeri Trust Inti Fel Magneti ELD Lid CO
Serine Fet ten COV..... (9.4)
Serine Fet ten Cov.... (9.4)
Serine Fet ten Cov... (9.4)
Seri Simple of the control of the control

°w\*It •.

LONDON SHARE SERVICE

		LONDON SH	ARE SERVICE		
AMERICANS - Contd	BUILDING, TIMBER, ROADS -	DRAPERY AND STORES - Contd	ENGINEERING - Contd	INDUSTRIALS (Miscel.) Contd  Started Story Price Story Price Story and Pric	INDUSTRIALS (Miscel.) — Contil.
3983 Lev 533-7 27. Sur Co. Inc St. 52 - 33 - 45 33 - 34 26 21 4 [reneen 55	1988   Stack   Price   or Otr Cor Cry P/E	1989   Stack   Price   Ser   Cre   C	32Brooke Tool 50 \$ 421-211 168 2 2 5 4 11 3 4 2 0 4 0 12 9 4 1 1 1 1 1 2 6 4 0 12 9 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	4.85 bid/sisce Bril Peris _ g	52 Observat Closures V 148 3 2 2 111 4 Regulate 109 109 109 109 109 109 109 109 109 109
20\\\ 15\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	291Higgs & Hill	106 DoCay Rec Py 100 v 3077 +1 6.0 7 75 -	111 Cambrod Co	379 88 BA Group 8 144 4 0 3 2 21 3 Dec 21 3 1778	2 5.30 / 4 cms loss 11.5
19 15-6/XX S.L. 175. S.L. 37 23 175 Utd Technologies. 21c +4 3 3.4 4 2 3.4 36-4 US eves. 30-5 5 6.3 21-4 16-5 Waste Management S.L. 30-5 5 6.3 16-4 125 Whitpool 51. 14-4 4 51.4 4 1 3.2 1 18-4 Wwookworth S3-5 22-4 51.54 3.2	[[[] [[] [[] [] [] [] [] [] [] [] [] []	1000Westail C. W.)	115 De Ce Ro Pf 59 120 600 1-88 - 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	126 085G int 10p B	
	101 Lioinstote Pt. 10py 101 4 769 2.3 6.3 9.0 1521 ±1 025 4 2.0 4 326 270 Ling Liohn 6 325 -2 7.0 4.8 2.9 9.6 200 200 200 200 200 200 200 200 200 20	904/cmiftanerin   100 +1   3.2 2.1 4.234.1	178 95(cot (4 m ) 20n y 179 -3 6 0 4 4 5 4 170 147(cot (4 m ) 20n y 158cd m 2 33 4 9 1 9 1 4 5 82 50(conte Group 80 -1 ml 0 -1 711.1 130(cy 7) (2 m m ) 7 7 4 2 8 -2 8 1 2 8 1		9 14 Noble & Lund 109 9 342 et 4 79 5 929 1 October 9504 39 3 Noble Group 100. 9 342 4 4 79 5 929 1 October 9504
CANADIANS 30% 39% ASS Gold Com 1	77 200 200 200 200 200 200 200 200 200 2	56 31AMS led 50 4 45 1.5 25 4.411.9	328 248 Deka 9 385 +3 90 31 3 9 10 9	16.4Beatson Clark	28 Sharriola House 50 7 318 12 12 12 12 12 12 12 12 12 12 12 12 12
30% 39% 39% ABM Sold Corp 1 232s +11 2 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	509 42494Calphe talfred B 427 -4 15.0 3.1 5.0 8.6 497 44394Carby & Sune 20 p 453 -1 74.1 8.0 1.2 13.7 52 190644Canghim & H. y 252 8.0 2.6 4.2 12.0 252 1901430000 0 243 6.0 2.5 3.3 16.1	120 879 dereral Companing So. v 111 1.46 5.3 1.8 11.9	69 350cm 152 15 45 20 6 21 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		17 9(1) Arwood Grp
12% 10% 86 Montreal 1 11% 4 52.00 73 5550 5169 B. Rosa Scot. 1 17% 15 48 66 5 8 17% 15 48 66 5 8 17% 15 48 66 5 8 17% 15 48 66 5 8 17% 15 48 66 5 8 17% 15 48 66 5 8 17% 15 48 66 5 17% 15	263 236(Marshalls Halifax, of 2407 7.25 4 4 1 4 1 100 7994amders Genel 2008 94 +2 101 9 4 9 2 7 10 2	113 2094)(shamer 5p. v 312.	81 SEF-INTE M 1100 Y 49 -1 1-3 3 6 2 11 1	1628 BBeecham	5 17(0) Pater Spt. Std. 5 101 (013) 15 (011.4) Jone 1791 107 (012.5) 107 (013.
	330 347(Moviest U) 331 10+1 17.25 2.2 6.0 10.1 16 84 NSM 10+4 14 0 3.2 1.1 33.4	E36(26) Do 8 St.50	126 89Hates Mar 200 Y 129 +1 25 08 271290	2.038mam (1) 10p y 115 4.0 4325 4 Dec June	5 97147 1410 182 94-02 SS71 011 4 19 1 0.2 Aug Feb 144
40   40   40   40   40   40   40   40	109 87 Procests Tumber 9 72 14 7 2 110 9 7 745 7 13 Pochus 7 72 110 9 1 162 135 Polyptoe 10p 9 144 tb1 55 3.5 1.4 27 2	91 6295R (m) 100 9 62 -1 93 0 23 4 8 00 2 66 35 8 second Group 100 y 38 st 10.5 -1.8 -1.8 -1.8 -1.8 -1.8 -1.8 -1.8 -1.8	July 11: Hall (Matthew) 8 115 -1 5.38 2.3 5.3 10.2 7 70 54 Hampton lots. 5p y 64 -3 mi. 5 4.3 2.3 10.2 7 5.34 440 Hawter Science 9 564 -1 19 0.623 5.0 10 4 115 90 1623 5.0 10 10 10 10 10 10 10 10 10 10 10 10 10	843 6 Bios Arrow 55	5 97 FP into tital 5 97 FP 1011 102 Aug Feb 5 99 FP 115 5 99 FP 101 102 FP 101 103 FP
407 250 Energez Binerals 31s 31	108 S2R2me (max, 109   137   14 3.3 2.1 18.1   180 1304 Ramus   137   45 2.24 6.3 0.1 18.1   45 3.307 Red land   4 3.3 2.1 18.1   13.8 2.2 3.3 3.3 7 Red land   4 3.3 2.1 18.3   4 3.3 2.1	189 1338lict 55	137 788 cords Group. 8 110 -1 3.33 1.3 4 1/17.7 130 788 cords Group. 8 110 -1 3.33 1.3 4 1/17.7 120 77.6 2 5 48 10 4	62 GBostonte hard 9 2744 50 2425 0 July Jan 225 1 1948 good Pei '4 10 40 0.5 17 1212 Mar Oct 1886 9 35k Roadel Laminates 1864 1 68 1 68 1 69 1 Mar Nov 1871 1 8.5 Boot (Henry) 500 8 348 1 45 556 95 Mar Nov 1874 1 194 1 1966 1 194 1 195	246 Britary-Boses Cas In. 2595al(55): 1 123 5 June Ort. 2595al(55): 5 1 123 5 June Ort. 5 2497al(57): 5 2797al(57): 5 2797al(57)
10   10   10   10   10   10   10   10	118 88 movimon 100 v 115 077 % 7 9 118 88 movimon 100 v 115 077 % 7 9 0 9 15 15 15 15 15 15 15 15 15 15 15 15 15	24 138 dgin 4 50	177 116 invest	102 78 rammer 200 6 243 12.5 6.425 4 Jane Oct 147.8 5 878 releged From 10. 4 1 0.2 0 7/23 11 Jah Jum 79.0 8 08 releged From 10. 4 1 0.2 0 7/23 11 Jah Jum 79.0 18 76 6.0 4.55 4 Nov Mary 1949 25 68 releged From 10. 4 256 7.0 3 6.11.4 Mary Jan. 1750 1250 58 relegion 1023 5 5 5000 6.6 30.3 Apr Oct 5 5000 6.6 50.3 Apr Oct 5 5	1.76 Polyman 109
	10   10   10   10   10   10   10   10		41 35Locker (1) 50 v 36 1.3 1.2 4 8 (2) 6 27 Do. 4 5c v 27 1.3 1.2 6 (3) 70 v 122 11 (30 1) 6 (3) 70 v 118 4.3 er 1.9 3.7 2.2 17 2 1331 63 (3) 3 (2) 3 (2) 116 4.1 63 3 3.7 3.8 11 0 18 (4) 12 (4) 15 (5) 15	20 18rh Fittings 20p . vg 145m b4 5 4 1125 4 Nov May 11910	240 September Derrys Sulp 244 L4 5 2 3 10.3 April 10.1 Sproudhost Sp. 244 L4 5 2 3 10.3 April 10.1 Sproudhost Sp. 244 L4 5 2 3 10.3 April 10.1 Sproudhost Sp. 243 L4 5 722.2 Apr Oct 10.4 Sproudhost Mean V 10.5 2 2.3 3 1 2 5
250g 150pNadelene Mines 217g -3 1816 120pNassecto Expla 187g -1 .	213 176Sendal Dermi 50	245 193C ambridge Elec	947Messier 50 9 114 2.25 4 2.61 0	238.48/Hch Vita	33 28 kmm - Renda FM10. 451 010" 32" 120 120 120 120 120 120 120 120 120 120
718b 462s Financiano Har. Car. S.1 577b 300pt Jazana Minim Cop 1. 538a-25 Q15c 1.2 250b 150p Madeiene Mines 127p -3 181b 12bo Padarsocco Expla. 187p 1.3 187p 750 Mini Busines Sp1. 1 187p 750 Mini Busines Sp1. 1 127b 750 Mini Busines Sp1. 1 127b 750 Mini Busines Sp1. 1 127b 750 Mini Busines Sp1. 1 128p -1 127b Mini Busines Sp1. 1 128p -1 129p -1 110p Weevack Sold Hinkon 1 111b 14 SO.05 69 111b 170p Monre Sold Minimg 1 125b 15 15 0 120b 171 Photops Cold Minimg 1 125b 15 0 120b 171 Photops Cold Minimg 1 125b 15 0 125b 171 Dischard Eng. 1 125b 150 150p Some a Gold Corpl 396p - 6 125b 150p Some a Gold Corpl 396p - 6 125b 150p Some a Gold Corpl 396p - 6 125b 150p Some a Gold Corpl 396p - 6 125b 150p Some a Gold Corpl 396p - 6 125b 150p Some a Gold Corpl 396p - 6 125b 150p Sobole Trans Car L 1 134 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		250 371 Scoresoft Hidgs 50 V 23 128 45 21 13.9	38/Necrosed 9 26 +1 0.4 3.7 1 0 29.6 179/Neil (Lames) 9 201 98 0 45 3 4 7 10 29.6 179/Neil (Lames) 9 3.5 2.7 4.7 10.5 2.7 4.7 4.7 10.5 2.7 4.7 4.7 4.7 4.7 4.7 4.7 4.7 4.7 4.7 4	The state of the s	201   2010-2011   2010-2011   2011
1719    1719	180 135\Ward Group 50 y 163 4.3 2.9 3.2 14.5 18 159\Ward Highs 10p y 163 2.4 6.6 2.0 10.5 19.0 19.0 19.0 19.0 19.0 19.0 19.0 19.0	257 73 Constroy Elec 2.9 y 75	31 2500000055005 4 312 -1 72 31 3143	39.00-CF 50	34. Operator's Tills 494 7. 3. 2.0 21.3 Sept May 1.4 196. Sept May 2.1 2.3 20.2 1.3 Sept May 2.1 2.1 2.3 2.2 2.3 2.3 2.3 2.3 2.3 2.3 2.3 2.3
6710 5660917rass Can Pipe 6990 42 680 - 4.9 2010 127pWarky Carol 1810 -1 8	19 19 19 19 19 19 19 19 19 19 19 19 19 1	165 100H0emam Elect 9 147 -1 4.05 4.9 3.7 7.0 56 380embars 'A' 10n 9 51 1.41 3.4 3.8 9.9 348 2780mm Print Sci So 9 285 2.9 6.5 1.4 14.2 4.4 4.5 1.7 1.7 2.7 3.8 15.5 1.5 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7	31 Presold	16.8 Ov. 8pc Cv Pf EL 140 8 % 6 77.12 Jan July 1993 66.9Cape industries 139, 135 3.47.12 Aug Feb 2061 29.5(De. 8-4pc Cm Cv Pf 295 8 4 % 3.8 7.3 0cz. Apr. 2062 1518.20czthary Pacific 23 028d 3 6 -	110 Bistend Eure Zn
BANKS, HP & LEASING	ZZ ZZZWINDEN WEST	425 307 Fürnst Hidgs Sp. v 387 42 51 1.8 14.7 220 117 Dabities In Sp. v 203 483,481 27 25 195 67 354 Eaing Electro Sp. v 313 176 Electromas 10p. st 210 183,7 35 23 16.4	3853nike Gordon 110 m 47 101.28 1.7 3 of 13.0	16.00cm, Sperwood 10 . w 612 85'83 - 2050	25 815AC (At) 100
3788    Mega   Low   Stack   Price   -   Met   C'w   Gr's   Price	CHEMICALS, PLASTICS	195 Filestros House 10s. v 344 -2 13.6 1.5 5.3 27.5 90 Files. Data Proct. So. v 116 2.1 5.2 2.4 9.9 6 5.5 Extra Machine v 7.2 -1 0.9 1.4 1.755.2	Tel 1655 oras - Serto B 372	54 2Charterhall 55 B 18c - 585 - 2107 - Whatter House 50. The 17-1 1447 Optional Light HKS5 125 072c 3 9 23 Ja Ag Ja No 2130 176 2Christles lift. 10p. B 549 13 0 3 211.4 Nor. May 2132 24 7 Chyhlithe Y 117 12 2 251216 Nov John 2150 11 55 Coated Elici 55 B 0 13 9 6 5 21 13 Jan Ang 2174	10.493 Gotto 20 2000 A 2012 A 2012 A 10 20 1 - 10 20 1
50 Department of the Samuel of Hills S. 4 (40) 114 0572 31 41 78 133 1274 83 100 100 100 100 100 100 100 100 100 10	\$321, \$25 Abro Fl 20	36/Emes 4 114 -2 115 -2 117 107 117 117 117 117 117 117 117 117	108 1 108 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	54 2Charterhall 59 B 18t 1	125 931 Gobalo FFE100. 129 1 00 6 122.3 Dec. June 15 15316 Player. v 239 1 00 6 122.3 Dec. June 15 57 935 Savage. v 29 10 25 6 122.3 Dec. June 15 57 935 Savage. v 29 10 25 6 11 4 November 218.95 Cana Group v 29 16 01 3 6 26 6 Jun. June 15 77 01 25 Catamberge 20 01 120 3 0 0 1 20 3 1 6 3 0 0 1 20 4 0 1 1 6 50 3 6 1 1 6 3 0 0 1 20 4 0 1 1 1 6 50 3 6 1 1 4 June Dec. 15 1 2 0 5 Catamberge 20 01 1 2 0 5 Catamberg 20 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
575 503 Bank Scotland Cl. 9 348 44 189 4.1 46 7.1	27/AST2 Holdings 50 v 25 v 0.87 3.2 4.0 11.8 (255 \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	177 147Farnell Elec. Sp. p. 156af +1 3.5 3.7 3.0 11.8 683F redback 10p. y 76 +1 2.5 1.6 4.4 19.4	95/yzzck(W,A)20p-y 98/ K3-9 469	14 4 Cases (Alas) 100 m 140 4 75 4 5 7 5 Apr 0et	273.6Security Services v. 279 2 27 1 222.21 Apr Sep
68 47 Business Mort 7st. v 35 20 2.3 4.8 12.2 378 340 Care alien El 8 378 20 15 - 7.3 - 7.3 175 Whences Settler v 233 - 5 13.3 2.4 1.9 26.2	206 169Canning W.L. 8 399 +5 5.3 3.5 3.7 9.4	45 3318 Fletcher Demys 50. 4 40 41.7 -55 -193 1718 cmap 50 4 175u 28 6 21 6	Sign   Section		18. USSANCE Aguantment St. vl. 187 2.51.18 9.5 January 194. USSANCE ALEAN IDA. v. 2404 bl.5.5.2.7 17. ISSANCE & Law IDA. v. 2604 3.0 2.0 23.5 December 20. 400. 8 200 CP Fr v) 203.4 82.4 5.5.23.5 17. 3. 943.5 Selden Laws vi. 77. 4 62.7.7 7.5 4.87 0ct. 187.
15\( \) 13\( \) Commercia DM10 \( \) 14\( \) -\( \) 018\( \) -\( \) 018\( \) -\( \) 21\( \) -\( \) 018\( \) -\( \) 21\( \) -\( \) 1015\( \) -\( \) 23\( \) -\( \) 25\( \) -\( \) 25\( \) -\( \) 26\( \) -\( \) 27\( \) 14\( \) 121\( \) 14\( \) 121\( \) 17\( \) 18\( \) 14\( \) 121\( \) 17\( \) 18\( \) 14\( \) 121\( \) 17\( \) 18\( \) 14\( \) 121\( \) 17\( \) 18\( \) 14\( \) 121\( \) 17\( \) 18\( \) 14\( \) 121\( \) 17\( \) 18\( \) 14\( \) 121\( \) 17\( \) 18\( \) 13\( \) 13\( \) 15\( \) 17\( \) 18\(	26 21 173 roda im, 10p 8 174 +1 9.0 1.8 6.5 10.6	69 Sofforward feet. 9 60 47 22 9.8 702 488 901 12 553 2.9 4.8 9.0 1472-12 15.3 2.9 4.8 9.0 1472-12 15.3 2.9 4.8 9.0 131 1139 Codwig Warres. 9 22 42 - 25 - 25 2.9 131 1139 Codwig Warres. 9 22 2 - 25 - 25 2.9 131 139 Codwig Warres. 9 22 2 - 25 - 25 2.9 132 132 132 133 134 132 135 135 135 135 135 135 135 135 135 135	23WA Httg: 10n - v 28 112 2.5 57 92 25 92 100 25 45 120 11 75 120	150 8 Cream (J )	6.06\Shiftin
E154 E124 Full Bank Y50	£312 070Canathradal C 81 00   £37145   \$24 - 25 -	131 1134Godwin Warren V 114 4 2.7 125 1.8 6.5 10 6 124 125 1.8 6.5 10 6 114 125 1.8 6.5 10 6	FOOD, GROCERIES, ETC	98 30PCE 50	196. Sicharis A. McCross Str. 1 17. SicSharp & Law 10a. v 20. Tho. 8 12 pc Ce Pfr v 3 959. Sicharis A. Law 10a. v 3 959. Sicharis Control C
285) 238(Hambros 20p	85 70(Gayeer Krous 10e y 74	65 ASITU-information Tech y 511 12.0 3.3 5.2 7.8 64 (miter Group 10p., y 10b) 45 99 73 (miter Group 10p., y 10b) 45 2.5 1.8 3.4 22.1	183 154ASDA Group	36 Spanies & Riventa., vi 520 15 0 3.9(21.12 Jan. John 2014 16. 88-60 16. 19. 19. vi 20 4.0. 14. 7.3 April 0.2. 2015 10. 002 no Coding y	34 9eGrandez 100
393 321 Ktefmor, Denson L 6 388 10 0 - 48 - 308 238 Loyds £1 299 - 5 13.2 4 6 5 9 4.7 211 120 MaCaro 55 157 45	188 to 1785 Hoechst AG OM50 288 to 4-to 10205 1.9 3.6 - 1368 1280 09.Fin.10pctle.ts 5368 010% - 2.7 - 2.113 9471mp. Obert. 51 2101 + 4 41.0 2.4 5.4 9.1 41.0 2.4 5.4 9.1 41.0 2.4 5.4 9.1	59 3810m604 Electric 57 + 51 (20c) 2.0 2.8118.5	52 33Alune Soft 0 100 .v 36 36 37 38	120 6 Diplema 5p.,	169 25pring Ram JOhn 9 188 e0.55 0.425.4 0ec June 10.2 11.0Stag Funtture
295 236 Norman Greefell [L. pt 291] -12 10.85 -5.0 - 270 157 Nat. West. El	*182 237 Do. doc Cr. Red. Pd 182n +5 6% 4.4 - 148 118MTM 56 5 136 3.0 3.2 2.9 13.2 697 612 Monreton ADR L1000 612 4% 0.3 4 6.3 1Moorroad Blades 63 4.0 - 2.1	365 329Kode loft	613 543Barr (A.G.)	62,70ominton int 20x, y 96 5.5 7.97,121 Aug Feb 1236. 1,281,10over Corn, USS1 127,310S1,12 1.6/26 8 Majusebe 2367 18.00vek Group 10p y 325 183,2 4,17 12 0c 20r 1290 2,3810yson U, 6, 11 y 144 4.5 4,2(22,2) Aur, Oct. 2392	51 (25ast-Pius 50
111 7586a Bros, Groen vi 367 1.75 2.9 173 148Rontschild (1)Hidgs, B 168 +3 6 0 3.1 4.8 8 9 109 68 Do Warrants vi 76 44	756 js 51.1, Word 100, B Xr, 20. 115 j 10275 j 1110.3 1204 j.124 j. Postorp AB B Sk10. 1194 j 10245 j 1118.4 163 150Plyst	325 118Logics 10p	93 80Batlers 105	130 2Easter Prod. 50p. vi 286 10.0 4.7 9.5 July Dec. 2004 36.7 Easters Prod. 50p. vi 286 10.0 4.7 9.5 July Dec. 2008 10.0 4.7 9.5 July Dec. 20	10.5500cettl #165
1509 1205candidated Bt Units of 139 801 - 17.9 - 110 8505chroder \$1 9 875-25 16.5 - 2.5 - 951 675 675 170 170 170 170 170 170 170 170 170 170	207 173 Rectackii 109	148 10GHMMT Computing 50yl 148ml 101 25 5 5 1 1 21.5	409 361Booker 397 16.0 1.6 5.3 14.2	0.30400, Drf 56	97.67 i.P. Europe v 144 pt 2 Td 430.07 6 ii. 0 364 8.5 6.825.4 liov. May 140 20 STT Group: v 241 4.6 2.211.4 May 140 46.07 alber 5 6. v 27
E193 E133 Ser Pacific Si0	75 58 Thurgar Santer 10	40 17 Memor 160 17 22 -1 413 3.7 2.4 15.0	208 163Brate Bos 10s v 28am 27 4.1 1.7 18.7 21 106-Breumaker 1s v 15 v 5 - 10.2 23 23 24 20 231Cabro, Sources o 396 8 80 2.0 2.7 2.1 18.4 18.4 18.4 19.5 19.5 19.5 19.5 19.5 19.5 19.5 19.5	30 5F (swict 50 w 22 h) 0 3 1 8 6 83 = 2455	
133 117 0a for A Com PY1 120 5 6 7 6 7 6 7 6 7 6 7 6 7 6 7 6 7 6 7 6	325 270 Wedsterholme Riet. 7 22 -5 10.25 3.1 4.2 10.4 206 213 Yorkshire Oceans 222 -5 7.0 3.2 4.2 9.6 128 100 Yule Catto 10p 7 122 +1 3.0 2.7 3.4 13.6	240 175 Member Seath 50. v 233 13.2 3.7 1.8 19.4 473 288 Microfilm Rep. v 446 5 192.25 45 0.6 459 180 87 Micro Foca 100. v 448 5 192.25 45 0.6 459 180 87 Micro Foca 100. v 445 180 87 Micro Foca 100. v 245 316 249 Microsystem 100. v 245 30 7.7 1.5 11.5 28 3.0 1.7 1.5 11.5 28 3.3 11.2	120 809/Crampick Mill 100.vj 195 5.35 1.8 7.0 10.2 88 55(Callen's Holps 100.vj 76 9	945 SEng, China Clays ol 446 K16.3 4 925 1 Sept Mar 2474 9.42 Epicure Hidys. Sp., v 21-d 0.75 4.823 5 May Nov 2485 72.2 Erskine House	838.4(NY ASO 50. 200 015c 3.214.9 4/r in 50 00 124.) 5.96(2) index (clina) 50. 4 33 12.5 121.12 Feb Oct. 4 12.5 12.5 12.5 12.5 12.5 12.5 12.5 12.5
Hire Purchase, Leasing, etc.	DRAPERY AND STORES	316 249 Microyet Hlos 5a. v 277 5.5 2.8 2.6 17.1 325 260 Microyet Hlos 5a. v 277 5.5 2.8 2.6 17.1 325 260 Microyet 50. Ø 38 1.50 2.3 5.3 11.2 381.70 Hlosys 5a. v 326 4 12.0 4.1 0.8 39.6 190 115 Mitel Corp. 118 -5 1.75 3.8 2.7 10.2 1291 8224 Microrola 53. 226 4 4 2.0 4 1.3 -6 1.7 2 4.3 Microrola 53. 226 4 4 2.0 4 1.3 -6 1.7 2 4.3 Microrola 53. 226 4 4 2.0 4 1.3 -6 1.3 -7 2 4.3 Microrola 53. 226 4 4 2.0 4 1.3 -7 2 4.3 Microrola 53. 226 4 4 2.0 4 2.	117 7603465 (\$150 y 76 2 322 15 5.616 5 212 1690cc Corp 50 388 -2 68.5 17 6.0 125 82 395 (2010 150 y 4 68 2 68.5 17 6.0 125 82 395 (2010 150 y 4 68 2 68.5 17 6.0 125 82 395 (2010 150 y 4 68 2 68.5 17 6.0 125 82 395 (2010 150 y 4 68 2 68.5 17 6.0 125 82 395 (2010 150 y 4 68 2 68.5 17 6.0 125 82 82 82 82 82 82 82 82 82 82 82 82 82	399 5 Evered	2 6 9 Toothill (R. W.J
and and Cantal ad all darl .	55hAsis Group 10p. y 31 -2 to.0 43 21 14 9 31 Amber Day 2 bp y 44 3 21 14 9 31 Amber Day 2 bp y 44 3 21 14 9 3 1 1 4 8 3 4 3 5 1 1 8 8 3 5 1 1 8 8 3 5 1	33817018Nts(507p.)	149 92Feber (A.) 50	22 6 Feedex Agric, 10p., vi 34 dl 5 5.6 9.5 Jan. Joby (250) 49 5 Feaner C. H.J.,	7.590 risopic lines 200. v 113 1.0 95 - 00 7.866 risbe lines 500. v 50 04.0 5.3 9.5 Recember 100
189 1934arde Lassey 100. y 189 2 3.3 8.5 1 4 8.9 7 71 54Cattle 5 Mégs 100. p 6 22 2 5 2.1 5.4 11 6 6 6 5 7 1 5 6 6 6 7 1 6 6 7 1 6 6 7 1 6 6 7 1 6 6 7 1	111 Ashley (Laura) 5p. 8 12 235 2.5 2.6 16.8 12.3 14.1 2.3 14.1 2.3 14.1		124 700 mm 64 Watt 46 4 124 42 109 75d 3.21 3.11 10 0	257] 4 0 2 .125.6 Jan Jaly 2382 47 6Frewitton 2 .256 e10.89 4 1.6225 6 Jan Jaly 2382 177 2Frewitton 2 .256 e10.89 4 1.6225 6 Jan Jan Jaly 2382 4.20Freedio C. & W 127 4 5 4.721.12 July Feb 20.66 2 .20 Grober 167.10 4 3 4.721.12 July Feb 20.66 2 .20 Grober 167.10 4 3 4.721.12 July Feb 20.66	8-94 11-15 June 11-15
	19500. 4 N/V	237 223 1000 Cump Pri W20. 344 + 10773 - 3.7 - 173 - 173 - 173 - 3.7 3 - 173 -	430 370Gcrsys 20p. 7 430 7.5 3.2 2 3 17.9 260 2188/actiewood 10p. 9 223 2.5 4 15 4 15 4 15 4 15 4 15 4 15 4 15 4	177 Zipicki Diop, R730.3. 336millus V 1.5.2.5 A nor May 2502 4.20 Fixed Diop, R730.3. 3407(23-6, 5.5.5 A nor May 2502 4.20 Fixed Diop, R730.3. 4.25 A 72112 July Feb 2505 4.72 A 72112 July July July July July July July July	5-9/20nigroup 150
BEERS, WINES & SPIRITS	707 149[Sentalis 109 6 1877 -1 315 2-3 2-2 26-2 1900 773y8li Bots Grupcen AS. 300 1081 1081 1081 1081 1081 1081 10	251 2000z/rord los: 59	224 2254 (North Ins. 51.00 2294 14 (552.04 - 338 - 570 300 km/s Save Lip. # 955	129	17.7/Wade Potts. 10p. v 173 94.39 3.4/25.4 Jan May 95.0/Walker Greenhard. B 115 2.25 2.6 9.5 January 95.0/Walker Greenhard. B 115 2.25 2.6 9.5 January 95.0 Warsha AB Fish 0. 531.2 013% 3.4/2.05 January 95.0 Warsha AB Fish 0. 531.2 013% 3.4/2.05
50 42Belbarer	6.3 34 Bolton Fert. 5p y 40 1116 0.4 27.1 54 37 Brown 6, Jackson. y 34 + 1 0.1116 0.4 27.1 35.0 25.0 Borton 60 100 y 260 12.7 5 3.1 1.9 22.5 26.4 220 Borton Group 50p y 215 17.2 2.8 4.1 11.3 301 215 Canton 20p y 210 115 5.5 0.6 32.0 109 83 0c. % 20p y 103 -1 11.5 5.5 1.9 10.8	49 398 Fericam 100 9 43 10 2.6 3.3 20.5 20 240 Hersonal Control S. 9 245 13 6 5.8 2.0 11.7 52-2 7.75 Hillips Fin. 53 % 5764 053 % 7.6 7.6 7.6 7.7 1020 Hillips In. Fil. 823 7.1 1020 % 2.1 6.8 6 239 Hers Hillips 20 9 237 -1 10.3 3.7 3.6 9 250 9 3.7 3.6 9 257 -1	86 60EM6 Cash & Carry. y 71. 3.8 1.7 7.1 9.8 9.9 76 matthews (B). 9 85 1.75 4.1 2.7 11.9 255 203 Mean Track Sup. y 253 42 12.6 0.9 1.9 77.2 269 224 Mooret raw J. 10.8 252 2.0 8.1 11.5 1.0 9.0 9.3 4.2 to find Pt. y 98 5.2 7.1 1.2 266 235 Michals (Visita). y 243 7.75 2.8 4.3 12.7	155.300, 7/30t Ca Pri 10by 124, 7.5%, 8.11 - 65.6	95.0 Walker Greenback, 01 115 2.25 2.6 9.5 June Nov 47 38.0 May 47 39.0 Walker Greenback, 01 115 2.25 2.6 9.5 June Nov 47 38.0 Water How 47 3.0 13.4 3.4 76 5 4.5 9.0 Water Greenback, 01 13.4 3.4 76 5 4.5 9.0 Walker Greenback, 01 13.4 3.4 76 5 4.5 9.0 Walker Greenback, 01 13.4 3.4 3.4 3.4 3.4 3.4 3.4 3.4 3.4 3.4
332[Lart Matthews]	93 68(Casket 10py 73 -1 12.6 2.9 4.7 8.7 170 120(Cheisea Mars 5p. y 153 -2 2.9 3.3 2.5 16.0 453 12.0 (1.5 2.6 3.5 13.9 1.5 2.6 3.5 13.9	177 174 On W 20e. 7 334 45 3.7 4.7 7.4 7.7 7.4 7.7 504 Plasme 10p. 7 72m 2.3 2.7 2.7 2.8 175-1 181Plasme 10p. 7 150 42 6.6642.3 5.8 9.6 163 13.7 177 178 163 11.7 178 163 13.3 13.3 13.3 13.3 13.3 13.3 13.3	249 255 Richards (Visita) 7 249 7.75 2.5 4.3 12.7 265 265 265 265 265 265 265 265 265 265	191, 6)Halin Roses & GircSoy 183 3.75 2.721.5 November 2204 91.0Halma 10p	7.07 (W. Yorks Horp 50
221 176/cremail Whitey 8 1 1 1 1 60 3 1 37 11.5 126 109 00 3-05ct/Pfil 9 13th - 2 3 95 - 6 7 - 6 7 - 494 43ckreme King 9 470 - 2 14.46 3.1 182.3 8 197 3 2 3 18 10 7	287 221 Coats Vivella 200 o 257 87 2.4 4.9 9.7	61 38Presswict 50	144 12]Nordin Pir. 105 8 122 4 3 2.6 4.7 11.0 247 200 Part Food 104 202 2 44.8 3.4 3 13.22 7 10.3 66/Peritas Foods 9 7 7 1 1.6 1.9 3.1 22.4 10.4 63[Ptz-migan 12½] 9 43 3.3 48 16.47 2.9 3.1 12.7	156.11 0s.5/5pct/carted/9.1 1895/75% 7.38 7.5 April Oct 2023 7.98 April Oct 2023 39.8	7.83Wilkes (J.) v 182 7.09 5.211.4 May file 401 10.6 Wilson Systems 20. v 21.0.25 1.4.25.4 August 57.2055 to Comprise 70 123 54 5.215.6 June Don 123 10.0 Wilson (J.) v 10.0 Wilson (J.) v 11.0 wilson (J.) v 12.3 Wilson (J.) v 12.5 Wilson
124 C112 On 8'4 pcCv1.a v	420 227 Loles Myer 850 - 1 252 45 122 48 122 16 183 158 Coorrision 50 - y 252 45 122 48 122 16 183 158 Coorris 4 - B 179 44.9 21 39 171 38 338 0 8 6 7 18 6 12 12 10 0 18 6 12 21 10 0 18 6 12 21 10 0 18 6 12 21 10 0 18 6 12 21 10 0 18 6 12 21 10 0 18 6 12 21 10 0 18 6 12 21 10 0 18 6 12 21 10 0 18 6 12 21 10 0 18 6 17 18 6 18 18 18 18 18 18 18 18 18 18 18 18 18	222 1854Constel 10p.	60 37/Regisa Health 2p. y 46 +3 0.20 5.5 0.0 29.5	7. Vertarra (17) 209 y 39. dikarra (17) 209 y 30. dikarra (17) 2	
CAA (121 L) Machanid Martin '4' (123 Aut - 2 20 0 4 2 0 0 1 22 11 (Marchan Thompson 7 2 122) 2,9 4 3 3 4 3 9 1 330 (4 2 0 1 1 2 0 1 2		20 THE PROPERTY 12 42 1 42 1 2 1 2 1 2 1 2 1 2 1 2 1 2	250 216 Salicitory (1) o 218 +1 4.2 o 3.2 2.6 15.6 150 150 Salicitory (1) o 218 +1 4.2 o 3.2 2.6 15.6 150 Salicitory (1) o 218 +1 4.2 o 3.2 2.6 15.6 453 978 Sim Caterior (5.0 y 4.2 o 5.0 386 Salicitory 5.0 y 4.2 o 5.0 386 Salicitory 5.0 y 4.2 o 5.0 386 Salicitory 5.0 y 5.0 2.5 4.6 9.9 100 857 areas for 200 75 2.5 4.6 9.9 100 857 areas for 200 75 2.5 4.6 9.9 100 857 areas for 200 75 2.5 4.6 9.9 100 857 areas for 200 75 2.5 4.6 9.9 100 857 areas for 200 75 2.5 4.6 9.9 100 857 areas for 200 75 2.5 4.6 9.9 100 857 areas for 200 75 2.5 5.4 2.5 1.5 1.0 100 857 areas for 200 75 2.5	440 7/Hepworth 6 226, 9.9 5.8 9.5 May 2872 165.0/Hestal 7 8 310 5.4 2.3 25.4 1.2 January 2872 10.5/Hewitz U 9 187 5.0 3.621.3 May Nov 2878 14.5/Heigh-Point Sen. 10py 299 14.5 2.621.3 October 2887 3.97hi/heytes A. by 5.5 14.0	1.56 Workington (J. 106) 1 49
206Scott & New 20p. of 314 +7 (7.75) 2.4 3.3 16.5 (7.75) 2.7 3.1 16.5 (7.75) 2.7 3.3 1	183 120E recitor 200 y 182 1 3.11 3.11 3.11 2.215.4	225 115Rodins 59 145 +5 13 5 26 3.6 14 1 82 6650-500 8 6 0.65 4 1.4 4	11 255-1 00 special 2002-07 - 14335-1 +6 1 0974 - 2.5 - 2.5 Unique	16.5   Chiestair   316   5.4   2.3   25.4   January   2074     10.5   Chiestair   4   10.5   5.0   3.6   2.3   May Nov   2078     14.5   Chiestair   50.1   6.0   7.7   7.7   7.7   7.7     15.5   Chiestair   50.1   6.0   7.7   7.7   7.7   7.7   7.7     15.5   Chiestair   6.5   7.7	7.26Wyodham Gp 15p. v 199 (2.0 1 325.4) & Gd. 42 4 34Y8M 10p. v 119 W2.41 2.7 0.2 Blands 122 291.8Ysic & Vator. 9 266 67.3 2.62311 1sn 0cz 11b.4Young 0t 1. 42 12.9 3.5311.4 Nov June 123 1.54 10c June 123 1.55 1.55 1.55 1.55 1.55 1.55 1.55 1.5
31,51 Do. Non. V. 50pyi 3788 -45 1 9 21 44 3.11 4	138 9-98-668 (MP13 30.5) 8 7-1 (7.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	156 985camtronic 100. y 186 c1.6 5.8 2.0 14.8 455 4305choles 05/10. y 445 114.0 22 4.2 14.4 15.3 985camtrol 14 55tem. y 445 14.0 22 4.2 14.4 15.3 19565hread Carptr liby 240 4.5 5.0 2.5 10.6 8 9 3.2 4.3 120 7555 tarpa 100. y 110 22 5 4.2 7 14.6	1200. Wrins; (*91) 81 -2 5500. Wrins; (*91) 81 -2 5500. Wrins; (*91) 81 -2 505.6% 3.1 5.6 8.9 127 127 127 127 127 127 127 127 127 127	176 delturius (1900 4 8254 12 0 1 92 15 July 2015 4 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	INSURANCES
BUILDING, TIMBER, ROADS	171 110% Great Universal 1 116 1 + 1 124 5 3.8 2.0 17.1 11.3 9986U5 4 1 124 5 3.8 5.2 10.7	524 5 520 5 50ry Co. Y50	HOTELS AND CATERERS	23.0KS international 50. v 118 ±1.17 1.325 4 7003 2.67 white left described	274 10.25 4.625.4 May like 1500 4.526.0 Lip his an leaf 50 14.6 Lip his an leaf 50 14.7 De. Lip Chr. 200. 551.5 0.115.6 Lip his an leaf 50 1.5 c. 3.226.0 Lip his his an leaf 50 1.5 c. 3.226.0 Lip his his an leaf 50 1.5 c. 3.226.0 Lip his his an leaf 50 1.5 c. 3.226.0 Lip his his an leaf 50 1.5 c. 3.226.0 Lip his
43 343Angila Sec 10a v 41 -5 12 (1)1 7 0 6 18.9 16 Angila Sec 10a v 41 41 01 0.9 30 50.8 19 19 19 19 19 19 19 19 19 19 19 19 19	96 7384amto Navazor Ba. y 85 1.8 49 2.8 104 177 12234amt 6 way. 20p. at 1464 -1 4579 0.77 53 35.4 46 3384ctar 109 8 38ct -1 163 1.6 5.7 11.9 46 12 12 12 12 12 12 12 12 12 12 12 12 12	322 2936 regge Comp r 5n. y 362 32 5.9 1.4 15.9 151 975 years Ristey, 10n. y 135 -3 5.0 4 5.1 4 52 151 151 151 151 151 151 151 151 151	51 Retrop 50p.0 4 12.0 311 3.2 11.1	34.4 More May 100. 34.4 More May 100. 15.4 More May 100. 21.4 More May 100. 21.4 More May 100. 21.4 More May 100. 14.9 14.9 14.9 14.9 14.9 14.9 14.9 14.	
11. 328 PB Inds 50p of 12. 2. 2. 93 4 116 116 25 34 2. 9124 12 12 12 12 12 12 12 12 12 12 12 12 12	378 3125-Jacques Vert 10p. v 348-d -2 8.5 4.3 4.6 1.4 21.3 116 88-Knob A Kachers 10p. v 114 +1 11.17 4.6 1.4 21.3	146 12776 10 T 127 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Learning M. 1990 131 0 236.1  1	407 29 Jardine Strategic. 68 015c 1.8	35.6(Archar (A. J.) 1 a pt 5.70   86.75   5.6   - 4.70   5.70   86.77   87.70   5.70   87.70   5.70   87.70   5.70   87.70   5.70   87.70   5.70   87.70   5.70   87.70   8
194 254 Berteles Groco 2 343 192 5 7 2 1 0 19.9	613.1.6103 Liberty	170 12/(Invital Scientific, p) 159	10 19 27 26 16.0	33.0 Johnston Gra 10p v 338 100 3.3 9 5 Jan, July 2054 18.1 Jourdan (T.) 10p v 107 4.85 6.021.3 Gct. May 3061 5.7 08.1 us Rubber v 76st 2.12 3.725.3 Jan June 3067 7.8 34.5 days no 10 m 4.2 12 3.725.3 May 306. 3070 1.5 4.75 d May 306. 3070	57. Billiomian Group. v 11.9 (21.6" 4. 42.1.1 Jan. July 226.3 (1.6.2) 1.0 (1.6
103 B35ett Bros 200 y 183 -8 3.5 1.2 4.5 23.0 400 3208 others 20e y 388 - 6.5 6 23 6 455 408 Bios Circle 1. a 415 -1 13.0 2.4 4.8 9 9 255 167 Breedon y 275 -5 6.35 1.2 3.2 3.5 6 275 275 276 8 £ E.A. 275 177 -5 6.35 1.2 3.2 3.5 6	150 1121 logs Commis Sp. 9 127 - 1 128 5 0 1 3 19,9 163 145 Mallett Sp 9 127 - 1 188 -2 40 2.9 36 12.9 190 165 Marta & Spencer c 173d -2 5 1624 5 9 16 1 118 96 Marta & C. 20, 9 144 44 42 2.9 4.9 9 5 380 344 Mentle & 10, 9 3556 38 5.9 2.2 12 1	278 3328E 100 8 3594 7.0 4 2.6 2.7 1848 at 100 8 284 44 17.66 2.3 5.0 11.1	18   15   15   15   15   15   15   15	40 4 Kalon Group 15p. 8 34 5 - 15.b May 1072 30 Okcep Trust. 9 383 9.0 3.121.3 May 2072 12.3 Ketay tast. 9 400 110.0 3.411.1 Feb. July 3076 11.0 (Ketyan Scortile. 9 238 16.0 3.472.1 April 122.3 Ket July 40.1 (Ketyan Scortile. 9 238 17.75 4.222.2 New April 12.1 (Ketyan Scortile. 9 238 17.75 4.222.	299 BiLondon & Man 9 274 27 4 31 4 31 4 31 70
148 120Eriush Oredging 8 137 +3 5.0 1.4 4.9 19.0 148 126 18 19.0 149 1.4 4.9 19.0 148 126 19.0 149 1.4 4.9 19.0 148 126 19.0 13.1 148 126 19.0 13.1 148 126 126 126 126 126 126 126 126 126 126	488 325M408 6 5rde 5 94 4.9 92.75 2.8 0.8 47.0 1114 225M408 8rds 20 0 457 10.0 3.5 1.6 27.0 278 41 7.2 3.1 3.6 14.3 450 3400 liter (C) "A" 4 450 12.5 4.2 3.7 7.4	23 308W increments lap. 9 331 -1 43 6.5 1.9.20.7 360 325Voice Group. 9 340 100.0 25 3.9 12.0 75 449Wayne Kerr 10p. 9 66 -1 1.8 2.5 3.8 14.5 122 100Wstn. Select 20p. 9 1884 +1 1.3 4.2 9 4.2 10.8 127 390Wneiszle For 10p. 9 477 100.0 2.5 2.8 18.4 127 6582gal Dynamic; 5p. 9 93 10.6 2.5 2.8 18.4	INDUSTRIALS (Miscel.)	10. 48/king title 679 5a. y 110 1.8 2.2 13.28/kiern-E-Ze Hidgs. y 583 us. 35 1.427 7 October 18 970 00 1 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	43.8PWS Hedders 10s 390 10.9 7 422.2 Jan July 13736 871, 2Pearl Group 59 484 12.5 3.423.4 Oct. 10se 1941
3901 195Conder Group	74 41FPML59 44 115 26 5.5 122 135 109Pents 100 9 134n 41 13 6.1 1.3 15.2 26 5.8 122 285 289Pene Group 100 9 220 43 3.75 4.8 1.8 14.6 242 105Preedy (Alterd) 9 242 41 44.15 1.3 2.3 44.9 132 7 54Protection High 19. 9 125 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0		17 23944 72 27 79 70 24 4 116 71 72 72 72 72 72 72 72 72 72 72 72 72 72	9.92% Laidfaw Thompson v 345 4.79 4.021.3 Nov May List 3.00 Lawret 77 2.0 3.6 7.3 Dec. May 14.0 1.0 Group 20 v 146 5 9 3.69.31 List 3.6 7.5 Dec. May 7.5 List Westpal 100 v 226 3.0 1.811.4 Dec. June 15.0 1.0 List 1.4 Dec. June 15.0	2012 Herfung Sp
229 185Crest Nichol 100 9 217 57, 35 3 51 0.9 108 890534pc C On ReP. v 98 +1 55 % 7.5 3 51 0.9 110 795Cresty Clames 10e v 186 -2 W1 75 3 4 2.217.9 22% 229Douglas (Robt. M) p 77 13 4 5.2 15 15 8 34 2.4 10 5 3.7 51 15 8	271 21978265 105 9 2509 -1 5.0 3.0 2.0 10.6 171 103 Do. Car Can Pf El. 9 160c -2 5.85% -14.9 - 656.0 Sorre 11 bo. 9 87a 4.0 + 6.1 4 50 41 Do. 31 bpd 9. 12 bp. 56 3.94 -10.5 -	ENGINEERING  106/APV 100 9 11/3 +1 42/62 5 5.0 10.9 200 Advers Group 9 322 19.4 2.4 3.9 3.1 96/Arrospace Edg 9 1000 192/6 3.0 3.2 14.4 94/B/Arroll bets 94.0	77 210AM Hratin 20p. 8 269 -3 29 24 24 25 17 17 229ASD 61 9 378 9 95 34 54 10 4 11 10 10 10 10 10 10 10 10 10 10 10 10	8.25 Studge Care	OCO CHI CONTROL OF THE PLANT OF U. M. CO. C. M. CO. C.
1205-EE C 507. 4 13. 7 0 2.3 3 2 1 5 6 1 7 1 1 2 1 2 1 5 6 1 7 1 1 2 1 2 1 5 6 1 7 1 1 2 1 2 1 2 1 1 2 1 1 2 1 2 1 1 2	445 32895 reveal gross 10ey 446 4.5 4.1 4.1 5.2 19.5 2406 cm 31.6 19.6 19.6 19.6 19.6 19.6 19.6 19.6 1	9-jAstra Triat 50	103 103 103 103 103 103 103 103 103 103	185 4Lm & Bonar Op. 84 6.0 3 321 3 May Nov. 92 92 92 92 92 92 92 92 92 92 92 92 92	191 directions 31.2
210F airbeat 100	200 Scar Sup (n) 5p. v	15 058eamford 100 3 166 45 40 50 34 130	250 1A20man. 9 258 57 46.8 13 36 24.1 350 295Amber Ind. 10n 3 349 24.1 10.0 27 3.9 128 27 14 14 10.0 27 3.9 128 27 14 14 16 16 11 19 12 12 12 12 12 12 12 12 12 12 12 12 12	7.03M agnetia Group	
59Galliford 50 6 6 62 68 1.6 5 6 10 9 232 210Cistis & David 100 7 24 29 15 30.5 25 28 20 7 100 7 7 25 26 29 15 30.5 25 25 26 29 5 1.8 9 25 355Gleeson MJ J 100 7 48 16 7 18 84 25 25Harrasel riots 100 7 215 165,79 30 36 12.2 26 27 100Harrield Ecs 7 16 17,72 30 17,72 25 17,72 25 17,72 24 17,72 24 24 1 13	216 Sucretause 100 8 4 -5 8.8 4.7 4 9 9 Summar 100 8 1 1301 8.5 Sture 50 9 2.1 4.4 1.6 18.5 2.5 2.3 2.2 1 11.6 Te Reck 50 9 1 1.2 1 1.6 1.6 4.8 2.6 2.3 2.2 2 1.1 11.3 Time Prack 50 9 1 1.2 1 1.3 Time Prack 50 9 1 1.3 1.3 1 4.8 8.9 691 on Value into 100 9 1 3.0 3.3 4.8 8.9	4281actwood Hodge # 52½ 17 43 30 83 63 630 631 645 64 13 20 9 4 13 20 9 4 13 20 9 4 14 14 14 14 14 14 14 14 14 14 14 14 1	111 718/rerson 109	official Corp. 13 56 Office Ship Can Ci. 51 36 Office Ship Can Ci. 51 37 Office Ship Can Ci. 51 37 Office Ship Can Ci. 52 21 Spitarus its Green Ship Can Ci. 52 22 April 57 23 Office Can Ci. 52 24 Office Can Ci. 52 25 Office Can Ci. 52 26 Office Can Ci. 52 27 Office Can Ci. 52 27 Office Can Ci. 52 27 Office Can Ci. 52 28 O	9.3464 & M Group 10p   13r   - 085   -  1446   18.34   170   19.   18.4   18.5   17.125.1
329Henderson Grum B 3711 47 × 1.71 2.128.5 105Hender-Suart 10p. 8 135m 2.45 4.8 2.411.3	691 op Value inds 10p. 7 1 1 3.0 3.3 4.3 8.0	100 1000 mayor but \$0. 7 115 12 13 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1	300 Z2000 SpcLant (1997) 220 3 24 3 -	- Ingenedical Research.   331	10 16/8CE Hidgs Sp 7 34 Lal. 0 3.7 8.2 Sept Apr 1770



是一个时间,这个时间,就是一个时间,我们

هي الآه

Financial Times Monday June 6 1988	LONDON SHARE SERVICE	37
Paper	55 bSrdar 199 (199 5.15 6.521.3 Jan May 10) 22 MSPRUT 500 152 3.87 3.47 12 Dec Jone 24 Chronishop (199 y 97 3.0 4.195 Jan John 318 00 Warrans. 106	Ref   Sheek   Price   Ref   Ser   Ser   Price   Ref   Ser   Se
2 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	### 1 1972 - 1972 - 1973 - 1974 - 197	1.2   1.2
MOTORS, AIRCRAFT TRADES    46. 46. 5. 6. 5. 9. 5. 10. 10. 10. 10. 10. 10. 10. 10. 10. 10	36.1 (Cambrida and Gen. v) 79 g0.38 1.71 26 126 310 2079 12.3 (Do. Cap 71/g 9 98 50.7 (Cambrida leval. 10c 228 17 0 11.21.3 Apr 02 2045 1.6 (Schold feath 10c 33	157   Hughlands 1950c   52   010 4   155 4   Nov. May 2000
38.0P1action 41.53 5.322.13 Jas, May Big 5 0.00 pines Proplanta 50, 36.13 listing 0.01 10.5 pines   40.1 1.5	105 Likesen Japan So.  105 Likesen Japan J	7.3350when Deep PL. 398
7. 36.1 acts Writ	131.7F & CPacific tor, T. of 124 1 08 1.225 4 Nov May 250 31 4 Frost Group	Par West Rand   Par West Rand   Par West Rand   Par
71.2 Mart. But. Cannes. 10 8 122 3.7 4.2/25.4 Oct. April 240 9. April 250 9. Apr	2.65 Do. Warrants	Diamond arti Piziimum  Diamond arti Piziimum  Solo Olamba Am, Im. 50c
\$75.0 Constitute Committees. \$1	5 60 D. Cap. 25	TRADITIONAL OPTIONS   10   10   10   10   10   10   10   1
27. Headers Berch 10b. V 27. 4. 4. 5. 22. 22. 2. Agr Sept 27. 4. 5. 17. 17. 18. 18. 18. 18. 18. 18. 18. 18. 18. 18	1.0   1.0	### Carr Boyd 20c.   34   06c 7.9   2074   2075   2076   2075   2
25. Privates sell For 118 122 Au 0.5 136 122 Au 0.5 136 132 Au 0.5 136 13	9.00   Second Media Na. v   118   CO 3 0, 42.2   November   75   47   D.   Decor La. V   114   116   Co 3 0, 42.2   November   75   47   D.   Decor La. V   114   116   Co 3 4, 42.2   November   75   47   D.   Decor La. V   114   116   Co 3 4, 42.2   November   75   47   D.   Decor La. V   114   116   Co 3 4, 42.2   November   75   47   D.   Decor La. V   114   D.   Decor La. V   1.5   Decor La. V   1.5	

, ,

#### **DIARY DATES**

lor's salary order 1988

FRIDAY Commons: Debate on Women's

power or regional giant (01-930

June 27-28

(0223 450277)

Cafe Royal, London

#### PARLIAMENTARY

TODAY Local Government Finance Bill, committee, Motor Vehicles (Wearing of Rear Seat Belts by Children) Bill,

remaining stages.
Lords: Locsi Government Finance Bill, committee, Access to Medical Reports Bill, committee. Malicious Communications
Bill, committee.

June 7-9
International Services and Equipment for Aircraft and Airport Operators Exhibition - AIRPORT NEC, Birmingham June 21-23

June 12-15 Business to Business Exhibition Business Design Centre, Lon-

Personal Investment Marketing Show and Conference - PIMS

NEC, Birmingham

International Wallpepers, Wall-coverings, Furnishing Textiles and Household Linen Exhibition -PARITEX (01-225 5566)(until June

June 8-12 International Wine Exhibition VINOVA (01-977 4551)

Institute of Directors: Employee involvement - the benefits for husiness (01-839 1233) 116 Pall Mall, London

Dataquest Industry Conference: Planning and positioning for the Gleneagles Hotel, Scotland

The Institute of Economic Affairs: The future of town and country planning (01-799 3745) Royal Horseguards Hotel, Lon-

International Publishers Association congress (01-580 6321 Queen Elizabeth II Conference,

June 13-14
Financial Times World Gold Conference (01-925 2323)
Vienna

Peat Marwick McLintock: Corporate publishing - overhead or opportunity? (01-236 8000)
Queen Elizabeth II Conference

June 15-16 The Institution of Chartered June 23-24

"The Failure to Refer the Nestes
Bid for Rowntree to the Monopolies and Mergers Commission",
followed by debate on British
Aerospace bid for Rover.

Commons: Housing Bill, progress
on remaining stages.
Lords: Local Government
Finance Bill, committee.
Motion on the Lord ChancelThe Pailure order 1988. The Failure to Refer the Nestles

TOMORROW Motion on EC document on ons. Criminal Justice Bill, spray suppression and side guards on lorries.

Lords: Debate oo Middle East Lords: Debate on developments in Hong Kong, relating to implementation of the joint declara-Protection of Animals (Amend-WEDNESDAY.
Commons: Opposition debate: (No 2) Bill, second reading.

WEDNESDAY.

Commons: Opposition debate: (No 2) Bill, second reading.

Valuation of Amanas (Amanas (Amanas

#### Trade Fairs and Exhibitions: UK

June 19-22

Royal Highland Show (031-333

Casb and Carry Fashion Fair Exbn & Trade Centre, Edin-

European Computer Communications Conference and Exhibition -NETWORKS (01-668 4466) Wembley Centre

Antiques Fair (04447 2514) Corn Exchange, Brighton World Wine Fair (including gourmet food section) (01-729 0677)
Bristol Exhibition Centre

#### **Overseas Exhibitions**

June 11-12 National Country Fair (Dublin 338269)

June 21-24 International Jewellery and Gem-stones Fair · INTER-JEWEL Limerick (02403 29406)

Paris June 20-23
Pacific Transport Freight Distrition bution Exhibition and ConferIntrustional Chemical Fair

#### **Business and management conferences**

Wales: Banking conference 1988 tional Affairs: Chine- World (01-628 7060) The Inn on the Park Hotel. 2233)

June 16-17 Xepbon: VM performance HS Conference: The tenth annual Holiday Inn, Swiss Cottage, 2382) London

June 21-22 Gleneagles Hotel, Scotland
June 8-9
Intro UK: Recruiting and retaining information technology personnel (0491 681010)

Sume 21-22
Financial Times/National Bank
Financial Times: Telecommunications and the European business with Eastern Europe (01-925 2323)
Budapest
Financial Times: Telecommunications and the European business market (01-925 2323)

Hotel Inter-Continental, Lon-

onnel (0491 681010)
Olympia Conference Centre, June 22
London, The Economist Conference Unit:
Training and developing Britain's Training and developing Britain's managers the management charter initiative and its invalid charter initiative and its implications (01-839 7000)

Royal Lancaster Hotel, London The Chartered Institute of Management Accountants: Management of company turnaround

(01-637 2311) 63 Portland Place, London June 23 Peat Marwick McLintock: Corpo-

Centre, London (01-925 2323)

Accountants in England and The Royal Institute of Interna-Anyone wishing to attend ony of the above events is advised to telephone the organisers to ensure that there have been no changes in the details published

#### FINANCIAL

Question on government action regarding mentally disturbed CARD MEETINGS (01-727 1928) Kensington Town Hall

Trade Opportunities in China (seminar on July 22)(0772 203020)

Preston Guild Hall July 7-9 Financial Times Centenary Exhi-bition and Events: Personal Investment 1988
Queen Elizabeth II Conference Centre, Westminster.

ration 1 (nds. 0 75p Ford Selver Morris Props. 1 to Signweet Intl. 7½ % Dob. 85794 3 75; Freenhell Whitley 4½ % Deb 87/22 Do. 7½ % Deb 87/92 3 675pc. Lightand Debtlieries 0 765p

adbroka Group 8% Gad. Una. Ln. 90/92 4pc. Lytes (S.) 1 Sp

Seque 3p Sound Diffusion 0.1p Soundard Chartered Und. Pri 31 S412 4 Svenska Coffusiona AB SKrS Triangle Tat. 1p LIDO Padgs 0 72p Vanbrugh Currency Ed. Ptod. Do. Ptog. 8 Red. Prt. 310p

rent review conference (01-935 12:00
Pentos, Brown's Horel, Daver Street, W., 12:00
Outck (fi & J.), Centre House, Ashburton Road
East, Tratford Park, Manchester, 13:00
Ropner, 140 Contachtis Road, Darlington, 12:30
Termac, Hyde Park, Hotel, Krightsbridge, S.W.,
12:00

gence - how to gain and retain a competitive advantage (01-730 Grat Pomer 3438)

July 1-3 CRAC Insight Programme: Insight into entrepreneurship Bristol University

emces: The Financial Services Act
- legislation in action; and Black
Monday - nine months after
(01-925-2323)

Hotel Inter-Continental, London Division & Extended Payments Angle American law, Tel. 208 15:109p Come. Gold Fields Glid. Fing. Rate No. 217 04

Arab Bankung Corp. Fog. Rets No. 2000 \$400.3: Bank of Irakano Und. Fitg. Rata Prins. Co. 5178 59 Bernaven 8.5p Bentalia 2.66p Blockleys 3.6p

THURSDAY JUNE 9 Hartons Greek, E.C., Tild.

Hartons Group, The Abercom Roome, The arm Hotel, Liverpool Street, E.C., 12:00 King & Shauson Hötel, & C. Condon United Invis., Marchant Taylors' I Trinscencedis Street, E.C., 12:00 Martin Currer Pacific Tel., 29 Charlotte & Edebrook 13:70

BOARD WEETINGS 600 beinterbring Bradistock Grp. Carmond Erg. Carr's Milling Johnson & Firth Brown

> DIVIDEND & INTEREST PAYMENTS-Adwest Group 2.00p Anheuser-Busch Co. Inc. 150s. Anheuser-Busch Co. Inc. 15cm.
> Antotogasta Hidge. Sp.
> Antotogasta Hidge. Sp.
> Antotogasta Hidge. Sp.
> Chopview Recoccurate Tp.
> English & Outch Inv. Tet. FLA.75
> Do. 8% 1st Prt. FLB
> Do. 4% 2nd Prt. FLB
> First Inferentate O'Seas NV Gtd. Phg. Rate Butt.
> Nts. 1955 5177.29
> Licyde Sank Prim. Cap. Und. Phg. Rate Nts.
> 5118.2
> Nichard Int. Pm. Serv. BV Gtd. Phg. Rate Nts.
> 1962 5208.1

Time Inc. 25cts. Treesury 10% Ln. 1964 Spc.

PRIDAY JUNE 19
COMPANY MEETINGS
C.L Group, Showelf Road, Wolverheospton, 11.00
Detyn Packaging, The Park Hotel, Park Place.
Cervin, South Oldenorgen, 11.30
Dewhies (I.3) Hidgs., The Royal York Hotel,
York, 12.00
House of Larous, Metropole Hotel, Netional Exhibition Centre, Birnsingham, 12.00
Yirikaira Systems, Shalls St. Ermin's Hotel, Canton Sarest, S.W., 12.00
BOARD MEETINGSPleaks PRIDAY JUNE 10

Pleate; Brown (N.) Grp. Hicking Pentercost Hills Ergonom Jarvis Porter Grp. Property Partnershi

ONVIDEND & INTEREST PAYMENTS-African Lakes Corp. 1.5p Alvican Aluministor 18cs. Alvica Irish Banks Fig. Rate Na. 1995 \$462.2 Anglo Nordic Hidgs. 10% Cone. Use. Ln. 899 1.962 pc. Bank of Scotland 12.5p Bank of Wales 1.8p

Sames Group 20cts.
CPI Hidgs. 2 tp
Chavron Corp. Biots.
Cryntylon 0 5p
East Daggelontels Mirres 78cts.
Earty's 0 Witney 1p
East Daggelontels Mirres 78cts.
Eart Rand Gold & Bundlern Co. 1 East Duggesonsom Mines 7808. East Pland Gold & Uranium Co. 14.64458p Do. 3 14 44455p
Excen Corp. Block.
Free State Core. Goto Mines 28.88516p
Getty CN Frs. NV 14% God. Ms. 1969 7pc.
Grace (Nr. R.) & Co. Spots.
Houston Inds. Féds.
Houston Inds. Féds.
Houston Frants. Disp
Kraft Inc. 51cts.
Laporte Inds. 7.6p
Nechi Corp. 60cs.
Monande. 75cs.

brs Finance BV Gtd. Flat. Plate Mts. 101 Field St. American St. Gen. 14g. June Age. 18
Field St. American St. Gen. 11,51482p
Orange Free State Invs. 311cts.
RSF Group 1.5p
Radianec Group 1p
Pupity Group 1.75p
Scott & Robertson 3p
Scott & Robertson 3p
Scott Paper 18,5cts.
Simpapore Para Rubber Eats. 1.1p
Smithe Inds. 225p
Spring Ram Corp. 0 3855p
Squibb Corp. 40cts.
Sun Co. Inc. 75cts.
TNT 3,75cts.
TNT 3,75cts.
TNT 3,75cts.
TNT 18,75cts.

That 3,75cts.
Texation Inc. Tects.
Texation Scorp. 80cts.
Treations Corp. 80cts.
Treations Gen.
United Technologies Corp. 40cts.
Warmer-Lumbert Sécs.
Warmer-Lumbert Sécs.
Watterford Dissa Group 1,88p
Westgewood 1,58p
Westgewood 1,58p
Westwom Gold Hidgs. 19,25944
Wests Fargo & Co. Filg. Rade Sob. Res. 1994
\$117.29

SATURDAY JUNE 11
DIVIDEND & INTEREST PAYMENTSSpirar-Serco Eng. 4.7p
Treasury 3% 1982 1.5pc.

# Jefferies International Limited

a wholly owned

subsidiary of

Jefferies Group, Inc.

is pleased to announce

that it is now a member of

The International Stock Exchange of the United Kingdom and the Republic of Ireland.

> Contact David Smith or Frank Palamara

Finsbury House 23 Finsbury Circus London EČ2M 7AL Telephone: 01 374 6010 Telex: 8953291 Fax: 01.588 2706



ATLANTA BOSTON CHICAGO DALLAS NEW YORK LOS ANGELES LONDON

LISTED-OTC-OPTIONS-FUTURES-CONVERTIBLES-MAIA

#### **RECORD RESULTS**

Summary of Results	1987 -£m	1986 £m	96 Sncreces
Group turnover	144.4	131.7	.9.7
Profits before tax	2.7	. 1.3	103.2
Earnings per share	27.2p	15.3p	77.8
Dividend per share	11.0p	8.0p	37.5
Dividend cover	2.A7	1.91	29.3
Net assets per share	232.2p	200.8p	15.6

"We are now in a position to embark on a period of controlled expansion by acquisition." J Malcolm Barr, Chairman

Copies of the Report and Accounts can be obtained from: The Company Secretary, 21 The Calls, Leeds LS2 7ER

# Agreement of September 1 September 1 September 1 September 1 September 2 Septe HALCYON DAYS To Commemorate The Centenary of The Financial Times Commissioned to celebrate the founding of the newspaper in 1888. The Bracken House headquarters in Cannon Street. London is surrounded by columns of newsprint, appropriately suppled in pink. £82 — A limited edition of 500 boxes. Hakyon Days, 14 Brook Street, London W1Y 1AA 4 Royal Exchange, Combill, London EC3V 3LL Tel: 01-629 8811 Telex: 23142 Fax: 01-409 0280

# Standard & Chartered

#### Standard Chartered PLC (incorporated with immed liability in England)

US\$400,000,000 Undated Primary Capital Floating Rate Notes (Series 3)

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 6th June, 1988 to 6th December, 1988, the Notes will carry interest at the rate of 8.025 per cent. per annum. Interest payable on 6th December, 1968 will amount to US\$407.94 per US\$10,000 Note and US\$10198.44 per US\$250,000 Note.

Standard Chartered Merchant Bank Limited Agent Bank

#### TWO BANKING CONFERENCES ON THE EVE OF THE FT CENTENARY EXHIBITION

THE FINANCIAL SERVICES ACT - LEGISLATION IN **ACTION - JULY 5** and

BLACK MONDAY - NINE MONTHS AFTER - JULY 6

These two conferences with exceptionally distinguished speakers are to be held at the London Inter. Continental Hotel. Mr David Welker is to deliver his first address as SIB Chairman on July 5 and the Hon Francis Meuds, MP, Sir Martin Jacomb, Mr John Morgan, Mr John Young and Professor Charles Goodhart are among the contributors. Deloitte Haskins + Sells are co-sponsoring and Mr Keith Woodley of that firm will be in the Chair.

On the following day, the conference, Black Monday - Nine Months After, brings to the FT platform Sir George Blunden and Professor Robert Glauber of the Brady Task Force as well as the Rt Hon Denis Healey, MP, Mr Tarry Smith and Mr Gordon Mscklin. Mr Jack Hernessy is to chair and deliver the opening address. The conference looks at the reasons for the events of late October, the responses of regulators, markets and players, tha risk of further trouble and the robustness of the securities industry should that occur.

COMMERCIAL AVIATION TO THE END OF THE CENTURY 30 & 31 August and 1 September 1988

Civil eviation world-wide, and the manufacturing industries that support it, ere currently enjoying e period of major growth. There are various reasons for this expansion increasing personal incomes and an increased volume of business travel as well as expanding tourism, coupled with increased competition stemming from deregulation and liberalisation. While the rate of this expension varies world-wide, with some regions benefitting more than others, it is nevertheless imposing considerable demands, and even strains, upon all the existing facilities of commercial aviation.

it has been estimated that in excess of \$400 billion will be spent between now end the end of this century on meeting the demand - through new aircraft end engines, new airports and other ground infrastructure developments, and on improving the air traffic control segment to ensure continued safety in the croweded skies. All of these issues will be discussed in the latest of the now famous series of Financial Times Aerospace Confarancee held prior to the bianniel Farnborough international Air Show.

CAPITAL MARKETS WORKSHOPS 11-13 July 1988, 12-14 September 1988, 17-19 October 1988, 7-9 November 1988 & 7-9 December 1988

This series of Workshops, devised by the Financial Times and Price Waterhouse, has been extended to include these additional dates. During the three days, the programme provides intensive coverage, supported by case studies of capital markst activities, ranging from underlying concepts throught the specific markets and instruments, to practical guidance on key aspects of management and control of the business including operations, risk management and performance

> All enquiries should be addressed to: The Financial Times Conference Organisation 2nd Floor, 126 Jamnyn Street, London SW1Y 4UL Tel: 01-925 2323 (24-hour answering service) Telex: 27347 FT CONF G Fax: 01-925 2125

#### **SPANISH BANKING** FINANCE & INVESTMENT

The Financial Times proposes to publish this survey on:

For a full editorial synopsis and Leis Audrade, Persone 72-2C. 28003 Madrid, Spain

23rd June

on Madrid (91) 456 2778 or write to Mr Robert Leach:

Bracken House 10 Cannon Street London FC4P 4BY

**FINANCIAL TIMES** 



# State Bank of India

State Bank of India announces

that its base rate

is increased from

7.5% to 8.0% per annum

June 3, 1988

with effect from

U.S. \$125,000,000



June 6, 1988

CREAT LAKES FEDERAL SAVINGS

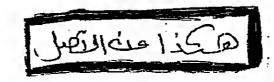
Collateralized Floating Rate Notes Series A due December 1997

In accordance with the provisions of the Notes, notice is hereby given that for the three months interest Period from June 6, 1988 to September 6, 1988 the Notes will carry an Interest Rate of 854% per armum. The interest payable on the relevant payment date, September 6, 1988 will be U.S. \$2,060.42 per U.S. \$100,000 principal amount of Notes.

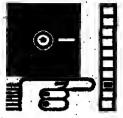
By: The Chase Manhattan Bank, N.A. London, Agent Bank

O CHASE





# **FINANCIAL TIMES** SURVEY



lited

4 6010

AV PROPER

97

23.2

778

37.5

293

150

**dia** 

nces

177

The issue of open systems has profo implications for computer users ar suppliers alike. systems has profound computer users and

Suddenly, strategic alliances are being forged between traditional competitors and the structure of the industry looks set for irrevocable change, says Alan Cane.

# Potent force for progress

COMPUTING STANDARDS, to tion would sit together on the paraphrase Mr Kenneth Olsen, same platform last month to president of Digital Equipment pledge allegiance to a standard—Corporation (DEC), are about as exciting as a Bussian truck. Which, in truth, both would indeed, many of those who have rather have seen remain in absorbed over the past three absorbed. laboured over the past three decades on the thousands of documents involved in standards specification may wonder what Mr Olsen has against Soviet vehicles.

They are also the principal reason why, for virtually the first time in the history of the computer industry, large customers such as governments, armed

But if standards are not excit forces and aerospace companies ing, they have nevertheless a are calling the shots, warning power to change the pattern of suppliers who refused to co-opercompetition within an industry ate in meeting common stan-

That is why standards, and patterns of development in modespecially open standards, have ern business computing. The iso-

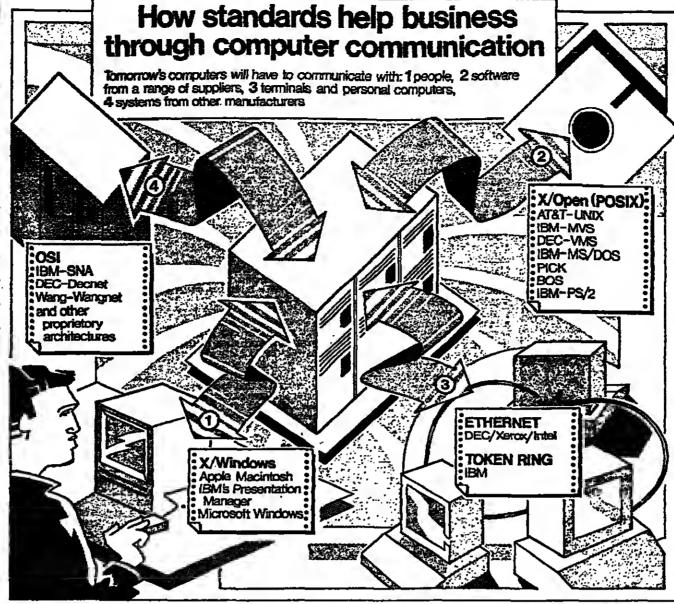
They are the driving force into networks, behind a rash of new, sometimes According to some estimates bizarre, business alliances. Who by the mid-1990s there may be would have predicted a year ago, one billion computers around the for example, that the chief execu-world, all connected into one net-

and to lower the barriers to entry dards that they will be shut out which makes them profoundly of important contracts.

The issue has been forced by especially open standards, have arn duaness computing. The isobecome the hottest issue in the lated data centre housing one or computer industry and beyond, more mainframe computers is Bankers, retailers and manufacturers are discussing standards uted computing where a variety with an intensity and concentration usually reserved for commercial strategy and tactics.

They are the driving force into networks.

tives of deadly, competitors like work or another. Without com-international Business Machines mon interconnection methods pilers and tie it and Digital Equipment Curporathere will be the electronic equiv-networked system.



underds are shown in bold type; other contenders appear in lighter type.

# Open systems

alent of the Tower Of Babel Many customers are well aware, furthermore, that no one supplier can meet all of their hardware and software requirements. They want, therefore, to be able to mix-and-match equipment in corporation-wide net-

But equally they are attracted by the idea of one-stop shopping for their information systems, which is why the fastest growing form of computing services com-pany these days is the "systems integrator," with the special skills needed to be able to take equipment from a variety of suppliers and tie it into a single,

majority of hardware and soft-ware suppliers, are seen as the key to simplifying systems inte-

In principle, computer industry standards are very simple; only the detail is complex. And that complexity is not helped by a tendency, almost a compulsion, on the part of those individuals and organisations involved in standards to cloak their activities in dards to cloak their activities in codes and acronyms — TC97, SC2, JTC1, K.24, LU6.2 and so on — more suited to secret societies than to business organisations.

At their simplest, computing standards deal with the four directions in which data process— the major manufacturers has been realised as the Corporation for Open Systems (COS), a consortium now 84 members consortium now 84 members strong. A principal role for COS and for SPAG, its European strong and for SPAG, its European equivalent, is to establish tests for conformance to the OSI rules.

- with each other, with software other IBM computer, programs, with human being and In the past few networks of terminals, workstations or personal computers, (as illustrated on this page).

municate with computers of the same make and with computers from other manufacturers. Each manufacture. of the major manufacturers has

ing system have to communicate IBM machine can "talk" to any In the past few years, every other major manufacturer, fear-ing that IBM would force the uni-

standards deal with the first an international standard, Open direction, how computers comSystems Interconnection (Carried Management) versal acceptance of SNA as a de universal set of rules for the con-nection of machines of different In the US, this commitment Ferranti International, Refl has been realised as the Corpora and Sydney Communications.

#### CONTENTS

compliance and Tealing on: not an easy task.

MAP and TOP - the manufacturing autometian protocoland the technical and office protocol: a make or break week in Baltimore?

companies in Europe: evidence of commitment The impact of public and private standards groups: an unstoppable momentum is under way The IBM standard in the woo European Paylilan at the Enterprise Networking Even t (ENE

are seven "layers" or functional and vendors – the Corporation divisions within OSI defining for Open Systems. 
The sheer scale of the exhibition of text is handled in passing ing together equipment from 58 from one system to another, separate vendors, is on a size Thousands of rules are involved, never seen before, and each has to be obeyed precisely if communication is to be successful.

| All the vendors will be showing products based on a new version of MAP, MAP Version 3, that

munications between two their in machines using an OSI link fails, systems it can be difficult, if not, impossi- Mr Mi ble to apportion blame for the has been the target for every-failure. Conformance testing is body. It promises the customer therefore the only guarantee a an intelligent network that will customer has that a system look after itself." behave according to the rules.

OSI rules are being developed

Evidence of the progress made up with the politics.

is the Enterprise Networking The hottest area of the stan-Event' 88 International (ENE) dards debate, however, concerns which opens today in Baltimore, US - a demonstration that open systems are ready to be used in internal workings and more sig the real world. Basically a manu-facturing operation, ENE will ware applications programs.

poration, respectively - groups have developed their own ver-which have been demanding that sions - Digital Equipment's their computing suppliers obey Ultrix, Microsoft's Kenix and so open systems rules if they expect on. to win contracts with them

Ferranti International, Reflex

Why is this important? There strong MAP/TOP user group -

'88): PERA personalitiee at

Battimore.

Furthermore, many of the will not be tampered with for six rules can easily be interpreted in years, giving customers a guaran-different ways. If, therefore, com-tee of continuity and protecting munications between two their investment in MAP-based

Mr Millington says: "MAP V3

The emergence of OSI as a settled standard means also that the OSI/SNA debate is, for all practiby a joint technical committee of cal purposes, over. IBM will stick the International Standards with SNA but communicate with Organisation and the International Electrotechnical Commission and are virtually complete. devices. Technology has caught

operating systems, the software computers need to regulate their

For reasons more to do with atives of OSI-MAP (Manufacturhistory than technology, the ing Automation Protocol) and favoured system is called Unix, TOP (Technical and Office Protodeveloped over a decade ago developed over a decade ago AT&T, the US telecommunica-MAP and TOP emerged as the tions giant. AT&T licenses the result of initiatives on the part of design principles of this system General Motors and Boeing Corto other users, many of whom

The whole computing world -The UK is participating in ENE customers, bardware suppliers through sponsorship by the and software suppliers alike – Department of Trade and Indus-try and co-ordination by the Pro-ment to a single, common version duction Engineering Research of Unix. This is the aim, of the X/ Association, (PERA).

Open group, a consortinm of users and suppliers (but exclusion, involves aix small and ding IBM). It wants to establish a medium-sized companies in the computer integrated manufacturing (CIM) field - CS Consultants, CS Developments, Cimtel, Kewill, alike to applications software. Earlier this year, AT&T upset the computing world by agreeing According to Mr Malcolm Mil-lington, Pera's CIM manager, an aggressive workstation ven-ENE is important for three rea-dor, to develop a definitive Unix.

IBM, DEC. Hewlett Packard Continued on page 3

offers impartial, practical advice on all technical and commercial aspects of Computer Integrated Manufacturing

AWARENESS - in the form of ComCentre, the UK Centre for communications standards which gathers and disseminates information to industry on worldwide. communications standards

CONSULTANCY - in Production Management (MRP, JIT, OPT), Computer Applications, Electronics and Systems Design

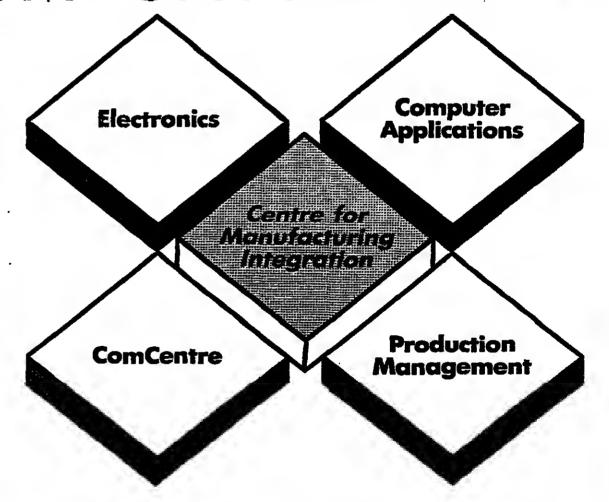
#### THE CENTRE FOR MANUFACTURING INTEGRATION

Offers YOUR company the benefit of our expertise in a whole range of advanced manufacturing techniques:

Networking and Systems Integration to ensure that manufacturing and office equipment is truly interoperable

Vision and other measurement techniques as part of your manufacturing and quality control systems

CADCAM and CAE to link the design and manufacture of your products



PERA's Centre for Manufacturing Integration - helps YOUR company by giving you the opportunity to try, test and train for advanced manufacturing implementation without disrupting your own organisation

For further information about

PERA's TOTAL CIM CAPABILITY contact:

Malcolm Millington, Manager CIM, PERA, Melton Mowbray, Leicestershire LE13 OPB. 0664 501501 Telephone 0664 501264 Telex 34684 Peramm G

#### The setting of a standard

# Aiming for a 'computer glasnost'

MORE THAN in any other indus-try, manufacturers of computer systems have resisted standardi-

Since its very beginnings, the computer industry has been an umbrella name for a whole set of snh-industries with separate, exclusive cultures and different priorities. The only thing the various suppliers have in common is

that they all sell computer systems to "solve problems."

Each sub-industry offers a set of components, which are internally consistent but seldom components, the selfoned by patible with those offered hy other branches of the computer industry. This has created a situation where users of computers are divided and unable to put sufficient pressure on their suppliers to conform to industry-wide stan-

Hardware suppliers have exploited this situation by making their systems 'proprietary', that is, unlike anyone else's sys-

ing the industry, would aid president, syste expansion. If users could exercise choice over hardware and soft at this time the world's largest ware purchases, without fear of computer-user, decreed Cohol being 'locked' in to proprietary was mandatory for government

in the 1960s and most manufac- Computer users were still turers adopted it (mainly because 'locked' in to proprietary the US Government, which was systems.



As long ago as the 1960s, it was recognised that industry-wide John L. Doyle, head of the Open Software Foundation. He is on standards, rather than constrain- secondment from Hewlett-Packard, where he is executive vice

computer systems, then they contracts).

Could concentrate their efforts on building their applications.

The first attempt to achieve allowed to enhance the language this focussed on programming in its own way and the result was languages and the Cobol lantham that a Cobol program written for guage in particular. Cohol one computer could not be run became an international standard on another without changes.

evolution of networks of computer systems, made the problem of industry standards even more sing. While computers operated in isolation, the only reason for huilding systems around universally-accepted standards was to allow users to move to other computer hardware - a factor which unsurprisingly met with

little enthusiasm from hardware But when networks came along the Data Link layer.

Through the 1970s, the gradual

during the 1970s, hardware manufacturers had an incentive to
conform to a 'connection' standard. It gave them a chance to
sell their wares to customers who
had traditionally bought everything form continuous.

The data link layer definition
specifies connections to other
data link layer and the interfaces to the physical layer below
and the network layer above it,
had traditionally bought everything form continuous.

IBM for its proprietary products. In principle, the model has gained such a critical mass of heen accepted by the whole acceptance in the industry, that industry and, in the long term, it they were universally adopted by all manufacturers.

acceptance in the industry, that industry and, in the long term, it they were universally adopted by will lead to a realisation of the dream of completely open

By the beginning the 1980s, systems' networks had proliferated at such glasnost. 

organisation (ISO), in consultation with computer manufacturers and telecommunications companies, introduced a framework for future development of networked systems. It was called the ISO Open Systems interconnection of Systems Application Architecture (SAA), which extends and embraces SNA.

But ISO OSI, SNA and DEC. ISO Open Systems interconnection (OSI) model and comprised seven distinct layers' or levels of OSD are different and can only connection. connection.

below and to equivalent layers in cle to its universal acceptance. interface to the next level up ~

thing from another supplier.

Some of these 'connection' necessity, vague in terms of the standards evolved as de facto detailed specification of bow each industries standards as a result of layer works. It is up to the indithe market dominance of a parvidual manufacturer bow the ticular manufacturer — usually model is implemented as long as IBM. The 2740 and 3270 terminal the appropriate interface stanstandards, which were devised by dards are edhered to.

a sort of compute

network, became a necessity. (SNA) - its model for compute The International Standards networking - in the mid-1970s.

manufacturers' interpretations of The layers allowed for 'connec- cence in backing OSI without restivity' both to layers above and ervation, remains the main obsta-

other models. The lowest level, physical connection, for example, the last two or three years have defined the way that devices are led some commentators to say connected to each other and the that IBM's future will increase including move toward ones systems. Despite this, IBM's actions over ingly move toward open systems. At the annual UK Computer Mea

ing Society is working in partnership with Olivatti in tha UK to use open system technology to increase its business atfisurement Group meeting last month, Stellios Zographos, a con-sultant with BIS Applied Systems, suggested that IBM is more serious about OSI because

☐ Boost for business affective

ness; the Abbey National Build-

its large customers have come to realise its importance for the development of their corporate IBM's leading role in the cre-ation last month of the Open

Software Foundation, another important aspect of open systems, suggests that it will continue to increase its 'commit

Philip Manchester



Abbey National has placed an £18m order with Olivetti for the supply of new branch and administration offica systems. based on the Olivetti PB (Personal Business) anvironment which provides a range of specialised software and hardware

The order is for 3.900 PCsystems with 750 LSX minicomputers for usa throughout Abbey National's natwork of more than 200 branches.

#### Compliance and certification

# Not an easy, task

the National Burean of Standards network. They are not concerned

The cost of testing to the complexity of the OSI rules being aapplied.

facilities for testing conformance scription to test a eingle OSI to OSI rules (or protocols, as they are known in the industry's jar for use in-house runs gon). This study persuaded the DTI to give the NCC "nump.prim. OTI to give the NCC "pump-priming" funds to set up a prototype testing service.

The resulting service, which the NCC launched in 1985, tested the OSI Transport protocol. It was based on test tools developed by the National Bureau of Stan-dards to assist with the 1984 National Computer Conference in

Las Vegas.

It is interesting that the main driving force behind the early leaders of testing was the development of testing was the need to ensure that equipment from different manufacturers would work together in joint demonstrations at exhibitions. The large amount of effort devoted to testing products for the current Enterprise Networking Event in Baltimore shows that exhibitions are still stimulating progress in this field.

Although the NCC — a non-profit membership organisation based in Manchester — was Britain's first independent test development of testing was the

based, in Manchester — was Britain's first independent test house, it was quickly followed by The Networking Centre (TNC), a private company set up late in 1985 to specialise in conformance testing and consultancy. TNC (based in HemelHempstead) was immediately awarded a DTI contract to develon OSI tests for

tract to develop OSI tests for local area networks. In the mid-1980s, OSI conformance tests were starting to emerge in a rather piecemeal way in different European countries, but the European Commission then stepped in to co-ordinate the

development of testing.

On the European level, a joint venture of 12 computer companies known as SPAG (standing for Standards Promotion and Applications Group) is playing an important role.
For example, SPAG is co-ordin-

ating a European effort to create a set of tests for the internationally agreed Manufacturing Application Protocol (MAP) and Technical and Office Protocol (TOP). This is part of an EC-funded project called Communications Network for Manufacturing Applicawork for Manufacturing Applica-tions. The development of the testing tools has been contracted out to TNC in the UK and the Fraunhofer Institute in West Germany, at a cost of about £3m. SPAG is working closely with to provide common criteria for its US equivalent, the Consortium for Open Systems (COS), to ensure firstly that there is no unnecessary duplication of effort the results of tests performed elsewhere. are so costly to develop – and secondly that the tests will be accepted worldwide.

Conformance testing is gener-

accepted worldwide.

Conformance testing is generally carried out using a "non-invasive" or "black box" approach. The alternative "invasive" method — probing the inner workings of the product under workings of the product under test — would be too expensive and technically too complex for widesurged use widespread use.

COMPUTING standards are of very limited use without independent tests to prove that products of conform to the rules.

The history of conformance instructions are not garbled testing (see details below) really when products from different started in the early 1980s, when manufacturers are linked in one the Netional Burean of Standards network. They are not concerned.

the National Burean of Standards in the US developed primitive with the inner workings of the tools to test one of the seven layers of the Open Systems Interconnect (OSI) international standard.

In 1982, the UK Department of box and linking its interfaces, for Trade and Industry commissioned the National Computing ally a Sim workstation). The latterner (NCC) to study the feasibility of providing independent the speed and accuracy of its responses.

The costs of testing vary. greatly according to the complexvaries greatly according ity of the OSI rules being applied. Companies can either pay to use a testing centre's facilities for a certain period or buy a test system for use in bouse.

As an example, the NCC charges £10,000 for a year's sub-

available or under development for most OSI standards, though there are still some significan gaps in the range. But the most urgent need now is for an internationally accepted certification which products have passed the conformance tests that are impor-

ant for their particular network. At present there are no formal certification procedures. After a product has been through a cor formanca test, the supplied receives a technical report gi details of tha tests performed and tificate is issued to show that the product conforms to OSI stan-

In the long run it is clearly unrealistic to expect anyone buying a product to plough through a detailed test report and con-clude from that whether it follows the OSI rules. So the testing simple system, similar perh the "kite mark" used by the Brit. ish Standards Institute or the green circle of British Telece to show clearly and unambig ously that the product has pass the appropriate OSI tests.

Most work on certification ha The search is on for a simplified test mark system for new

products

been done by the Consortium for Open Systems in the US. COS investigated the idea of using a green or gold dot to show the products could interconnect of thet they had been performance tested to a certain standard. But such admirable simplicity did no suit the complexities of OSI with its various "stacks" and "layers." Even so, COS hopes to introduce an effective certification proce

At the same time, the European Community is actively promoting the European Certification of information Technology (ECIT) scheme. This is desig

# In business, you don't t tar without connections.



April 8th, 1869 should have been a great day in American railroad history. The eastbound Central Pacific line was due to join up with the westbound Union Pacific.

It didn't. They missed. And the two companies continued in stubborn, parallel absurdity until the President intervened and broke the deadlock.

The moral holds true today. In

business, connections are everything.

Our commitment to open systems and industry standards - such as MAP/ TOP compliance - means different departments in your organisation can share their know-how. Rather than making tracks in splendid isolation.

And, should you ever need to change direction, our UNIX\* based systems allow

you to link easily with other vendors' equipment.

Make the NCR connection today, on 01-724 4050. Railroaded, you won't be. Impressed, you will be.

N C R

Creating value

#### The 'MAP' and 'TOP' protocols

# A make or break week

THIS WEEK could make or break the MAP and TOP communications protocols. MAP, devised by General Motors of the US, is the manufacturing aniomation protocol and TOP, its office equivalent.

In the case of MAP and TOP it the physical method of connection manufacturing aniomation protocol and TOP, its office equivalent.

It set up a task force in 1990 to findways of standardising communications in its factory. MAP, which GM adopted in October dors gather at the Enterprise Network Event (ENE) in Baltimore this week to demonstrate the first available MAP and TOP specifications are much more important than such tests to define the systems the physical method of connection.

Another problem for potential MAP users has been its cost, though most of the press criticism has compared the cost per connection between MAP and The good news is that most of those involved in ENE say the four tests are enough to define about 90 per cent of what is needed. The other good news is

systems to conform, at least in theory, to open systems interconnect (OSI) international stan-dards.

And hates

350 p

LAT MANY

The state of the s

ation

3 TVC Inch because to dended only formation at

e net rade tram differ w linked no PARTIES &C

esting inter tert and be do micriana : - A (D)CD & ±

dataces. Two ii and them accuracy of 2

testing to to the reserve co je jus slate ול בלינים בילוני ול בלינים ו

tray a telle 

pie, the W ii a wasas a a single G of an NCC B जा इंड्रकार्त एर 101 **53**6 W CONTRACT der detager untarte ist

some Appen in the B the state of inch paret: trouble read er am politi antiger de n through 18

and शक्तावा हैं<sup>न्स</sup> to in the MF

the state of the state of

5. - 15 (S) 52

an it is see just a more mile of the first o

is on fal

test mes

for now

LC to

instead of just talking about them.

MAP and TOP have been demonstrated before. The first demonstration was in Las Vegas in Detroit in November 1985. ENE is such as drawings and other information. "Cimap" in Rirmingham, in December 1986, dards or we will take our business of Industry, was not part of the versions of MAP and TOP seen at the earlier shows did not fully conform to OSI. How could they? Many of the necessary OSI standards Organisation, (ISO). This would create a world-wide market for MAP products.

Later, Boeing came to the same conclusions about the interfaction of technical office data such as drawings and other information. Both companies issued ultimata to their suppliers: in effect, conform to these standards or we will take our business to companies who do.

Within two years, vendors of factury actomation systems fund that their wurld had turned upside down. In 1982, the vendors all offered proprietary systems which they were proud to acknowledge did not talk to any other maker's kit.

By 1984, the vendors were falling over each other to boast of the ease with which their systems interconnected with show code and other companies in the condition of the companies of the ease with which their systems interconnected with specific proprietary systems interconnected with specific proprietary systems interconnected with systems interconnected with specific proprietary systems interconnected with systems interconnected with systems interconnected with specific proprietary systems interconnected with system

grow by at least 180 per cent a year to \$2bn in 1992, say industry analysts

those products meet the specifi-

All of them, but especially the GM realised it had no hope of long suffering vendors, share one persuading vendors to create hope: that the businessmen who such a system just for GM. So go to ENE are so impressed by GM wisely decided to base MAP the demonstration that they on the emerging OSI standards decide to install MAP and TOP, being promoted by the International Standards Organisation, there were talking about tonal Standards Organisation.

with 'show code' and other compromise patchwork.

This was not ideal — but at least business people would see what vendor independent communications could do. And they created sufficient interest to found thriving user groups in the US, Europe and Japan.

TOP and, more especially, MAP were burn of frustration. GM were burn of frustration. GM well beyond manufacturing. One found that nearly half the cost of any antomatinn project arose from the inability of a plant item from one vendor, to talk to its neighbour from another vendor. neighbour from another vendor. important future market for TOP.

Each vendor of robots, proBut the road to Baltimore has
grammable controllers, data colbeen tough. The users have

different networking system. If a shelled out little cash. One reaprogrammable controller needed son may be a campaign by DEC's to exchange data with a robot, founder, Ken Olsen, against the special interfacing software had physical connections MAP specito be written to allow this facilities.

Despite such interfaces, GM ing each node access to the net-also found that supervisors of a work. TOP uses an older Etheralso found that supervisors of a single part of a production process sometimes had to consult happens, Olsen's company has five different system suppliers' been salling for years. The two screens and type information, are incompatible but work perform one screen on to the key facily well in their different applications.

For example, if one maker's computer is acting as a cell controller and reports a fault because of a work part, the pean and process control interview.

because of a worn part, the pean and process control intersupervisor has to refer to a second maker's computer to find out
if there is a replacement available and a third maker's system
to see who is available to do the
repair.

Eight years ago, GM, about to
embark on a multi-billion dollar
(and nearly disastrous) capital
investment programme, decided

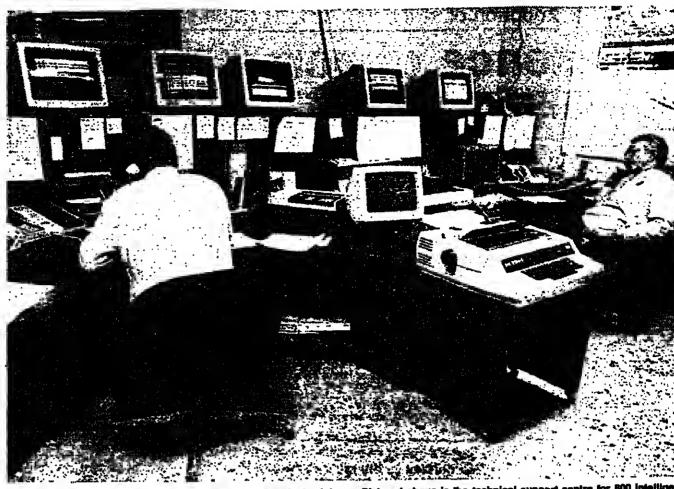
needed. The other good news is that, thanks in part to GM and Boeing, IBM, DEC and the rest of the computer industry has gone so far down the OSI road that other systems without adding the there is no turning back. The undoubted benefits of being able Japanese have been industriously boning up on MAP and TOP and to connect any piece of equip-ment to the network at once or will demonstrate and release those of improved information products next year at the latest. All manufacturing businesses will have to improve their data Another much-byped MAP drawback is that "the product isn't here yet," though earlier MAP interfaces will be updatable communications because the competition will force them to do

to MAP version 3.0, the version so. to MAP version 3.0, the version launched in Baltimore this week, by changing two PROM chips.

A bigger headache for MAP/ TOP's promotors has been the late delivery of confirmance by changing two PROM chips.

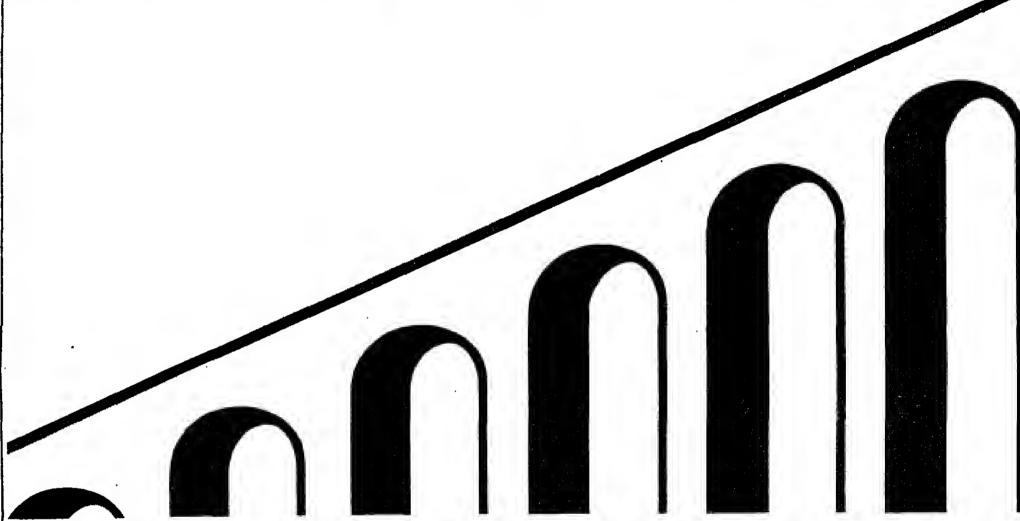
A bigger headache for MAP/
TOP's promotors has been the
late delivery of confirmance
tests. If truly conforming MAP nests. If truly conforming MAP and TOP products are to be commercially available from ENE onwards, it follows that all the products shown at ENE have

products shown at ENE have passed tests which confirm that Editor of FinTech 4, "Automated Factory" newsletter.



General Motors of the US. Both MAP and TOP (its office equivalent) were born of frustration. GM found that nearly half the cost of Pontiac East assembly plant. These devices include robots, proany automation project arose from the inability of plant equipment grammable controllers, visinn systems, weld controllers, cell confrom one vendor to talk to its neighbour from another vendor.

devices used on the plant floor at the GM Truck and Bus Group's



Unless you build a bridge computer, network and communications). you may have to rebuild your computer system.

Olivetti Open System Architecture is a straightfnrward, unrestricted approach to information management, based nn individual functional needs and utilising industry standards at all levels (workstatinn, mini-

Open System Architecture ensures that your system remains up to date, a bridge to future growth, thus maintaining the business advantages that technological innuvation may provide. As you build your system, onne of the additions you make will cause your existing equipment to become obsolcte.

Outstanding PC and Mini integration.

Uotil now PC's and minicomputers have largely lived in connected but separate worlds. A major and incovative feature of Open System Architecture is the way PC networks, using their local intelligence, can become an integral part of your minicomputer based departmental system. This means you can access centralized facilities such as large databases and electronic mail systems from the PC environment allowing you to get the best from both worlds.

Olivetti's commitment to standards, io particular UNIX, MS-DOS and MS-OS/2 means greater choice of application software, mini or PC based. This not only pmtects your investment but gives you far greater flexibility in selecting a system to suit your specific requirements.

A plan you can implement now. Amnng the building blocks in Open System Architecture is a wide range of mioicomputers; the widest range of PC's; PC based workstations; terminals and peripherals, as well

as an ever increasing array of application software. Although Open System Architecture is new, Olivetti is an experienced and established company with over 100,000 minicomputer systems already installed in Europe. You are

therefore assured of reliability and service. For more details please contact Lynne Blackwood or Carmel Paige on 01-377 8644 nr write to them at British Olivetti, 17-29 Sun Street, London EC2M 2PU.



olivetti



TOP - the technical and office protocol, championed by Bosing.
The Japanese are industriously boning up on both MAP and TOP.

# Force for progress

Construed from page 1

and the others were upset because they believed the allising that everybody agrees that ance could give ATAT and Sun a link is the way ahead; on the other the computing world is now split in two. The question of what kind of standard man/mathing supplied by IBM, DEC; Apollo, Hewlett Packard, Siemens and Groupe Bull, to create yet another standard version of but they roll inexorably onward.

Unix based on an IBM prototype.
On the one hand, it is comforting that the countries that a country agrees that link is the way ahead; on the other the computing world is now split in two. The question of what kind of standard man/machine interface and what standard architecture should be agreed for connection to local agreed by IBM, DEC;
Apollo, Hewlett Packard, Siemens and Groupe Bull, to create the computing world is now split in two. The question of what kind of standard man/machine interface and what standard architecture should be agreed for connection to local agreed for connection of local a

#### **OPEN SYSTEMS 4**

#### Adoption of standards by top companies

# **Evidence of commitment**

TWENTY-ONE International body is the Consultative Commitcomputer companies, six interna-tional consultancies and software and Telephones (CCITT), tha providers, plus four telecommu- international committee of tele nications companies, have pinned their colours to the mast of open systems to the extent of becoming full members of the European standards. open system group, Eurosinet.

In the past, interest about open they need to take one piece of systems may have been stronger data, an application or a transactrom smaller companies who could no longer afford to develop to another irrespective of its their own proprietary networking and had to rely on the slow development of international open in the middle, sit the vendors. systems. Now the picture is difterent, as the membership of standards-making bodies by hav-Eurosinet shows.

The computer suppliers in the group include IBM UK. Digital a pipe dream. They also have to Equipment, ICL. Honeywell Bull listen to their larger customers if and Hewlett Packard. The telecommunications companies include British Telecom and AT&T Communications International. The consultants and soft-ware vendors include the Cap Group which is the UK-hased arm of the Semacap group, Logica and even the UK Government's internal consultancy, the Central Computer and Telecommunications Agency.

Vendors and users have had to accept, in the past two years, that OSI is not a single imple mentation of a set of networking standards. It is a framework for all other networking standards which, if they keep to it will

from various bodies that conform to OSI; they are the practical implementation of the idea.

At the moment there are three live demonstration of communi-standards which conform to OSI cations products and services with which to test the intent of vendors: packet switching, mes-sage handling and file transfer. Of itself, membership of Euro-

sinet shows commitment to open systems. There is an equivalent organisation in the US called the Corporation for Open Systems. Eurosinet and the Corporation provide a bridge between the standards-making bodies and the

The standards-making bodies, on both sides of the Atlantic, luosly incompatible computers have their own complex timetables for whatever standards spective customer could see prod-they are charged with developing ucts confirming to OSI running, within the OSI seven-layer model of how telecommunications standards should be structured.

Among these standards-making Honeywell Bull in the UK. bodies is the US National Bureau of Standards; it has taken a lead in standards under OSI for transferring whole files of data between otherwise incompatible computers and networks.

to open systems, that it has its

A closer look at its statements

and its products, however, pres-

ent a different picture. IBM is one

of the most enthusiastic support-ers of open systems, it offers

many more products conforming

to the open systems interconnec-

tion (OSI) seven-layer model than

almost any other vendor - and

some of the most enthusiastic

OSI supporters on international bodies come from IBM.

has done a bad job in explaining

to the industry and its users how

it sees the two approaches, SNA

and OSI, working together. The

best explanations are coming

from outside the company, from

independent consultants who are

having to explain the complex

IBM's SNA is both more

cture of data communica-

tions in the early 1970s. When first published, SNA was just a set of recommendations for how Technically,

advanced and more complex than OSL It is more advanced because

picture to their clients.

The problem for IBM is that it

communications national author-ities. The CCITT has taken the lead informing message-handling

internal protocols and who built

ing memhers on them to tell them what is feasible and what is they want to keep the continued goodwill of their customer-base. Once the standards have been established they will have to implement them in mixtures of software and hardware within

complex networks.

Eurosinet has taken the role of

bition was cancelled. "This was a disappointment," will be in their stages of promula-says Derek Farmer, head of Euro-gation over the coming 12

sinet marketing and a strategic months.
marketing manager at ICL in It wo

Instead, Eurosinet is reviewing nection if the management of its plans, looking at the international calendar of exhibitions to pick the best platforms.

The management of previously international calendar of exhibitions to pick the best platforms.

"Management services," one of

ence on open systems in the mid- book\*.

open systems interconnection as terminals will be able to link on they are defined by the various to any OSI network, whoever the international bodies. OSI is a vendor. Eurosinet has taken the role of model for good communications, the vendor a step further since it not a set of protocols or a practi-

Leading European companies have now pinned their colours to the mast of open systems

was established in January 1986.

with six vendors. implemented in one go, therefore their customers networking serusers should expect to see a series of standards The founding vendors realised ning on their own kit, hut it was hardly impressive. What users want to see is a

live demonstration of communiconforming to the OSI model, running on different vendors kit stretched over the network. This is what the user has in their own network as a result of the investment decisions they have taken ever since it has been practical to pass a signal over a network from one computer to another. The founders of Eurosinet,

therefore formed, themselves into a group which would provide, for each others, a network of prevand networks on which the proucts confirming to OSI running, says Marton Hasenburg, chairman of Eurosinet and a consultant on government computing at

Eurosinet selects major exhibi-tions at which to demostrate ability to connect previously incompatible computers and networks. Its latest demonstration was at omputers and networks. the London-based 'Compec 87.' It had hoped to add more features

own networking standard in Systems Network Architecture minals and other devices into the But its five layers are defined different ferently from, and have different

frame and in terminals was

SNA itself has, over a period,

changed its character. Early on, it was criticised for being too

dependent on a mainframe com-

puter at the centre. Then other

computers could be added, hut

only under the control of a cen-tral one. Finally, each computer in the network was equal to all

SNA will always be more com-

plex than OSL SNA is a complete

implementation of an architec-

ture, covering hardware, soft-ware, protocols, security, man-

agement of the network and

actions to be taken in the event of parts of the network failing.

OSI is just a model for what a

network should be like. The

detailed standards which implement it are slowly grinding

Switching, Message Handling and

set of recommendations for how retworks based on a mainframe map across from SNA to OSI indeed, IBM was one of the first to implement the standards

changed to conform to SNA.

across previously incompatible It is yet to be seen if recent networks and between previously upheavals in the Unix community incompatible computers. The OSI will put it in jeopardy or delay model is a set of guides for stan-dards-making bodies and vendors

The latest two standards to emerge which conform to open systems are for message-handling with X400 and file transfer. About 15 members of Eurosinet have implemented X400 messaging standards and had their products tested by the testing bodies. and will soon have the latest ver-sion, published in December last Pilot IS

spective customers set on OSI and willing to be in the forefront of adopting it should look at the far their vendors have gone in list of the vendors taking part in the implementation of open the public demonstrations.

At the last major event, Com-pec 87, the list included AT&T, British Telecom, Digital Equipment, Hewlett-Packard, Honeywell Bull, IBM, ICL. the components vendors, Intel, the London Road, Stevenage, HertUK-based minicomputer company fordshire, SG1 IER.

A lot of work in the early stages of the development of OSI

was done to achieve some type of

mapping. It was used as a techni-

cal test to see if SNA and the OSI

seven layer model were really

abandoned. It is now clear that SNA and OSI are not so much

conflicting approaches as that they tackle the problems of net-working at different levels.

IBM will always want a propri-

etary networking set of products. To achieve integration between

these products it needs an archi-

tecture evolving over time. SNA is this architecture. It is as much

a help to IBM's customers to have SNA formally defined as it

products conforming to emerging standards within the OSI frame-

work and it will use its own prod-

ucts, conforming to OSI, to provide linkages between SNA and

other networks.
Indeed, IBM was one of the

OSI, however, has its place. IBM is not going to abandon SNA, nor change it to conform to OSI. It will, however, provide

is to IBM.

Such work has largely been

The IBM standard in the woodpile

Two major strategies

THE TRADITIONAL and deeply-computer as their host should be held view is that IBM is opposed to open systems, that it has its Over time, protocols to link ter-

ITL and Wang. In future, four standards being

tions as they are finalised. They

It would be an unwarranted ondon.

Instead, Eurosinet is reviewing nection of open systems connection if the management of the

tional calendar of exhibitions to pick the best platforms.

Now that 'Compec 88' has been cancelled by the organisers, Eurosinet is reviewing its options, in November in Tokyo it intends to take part in OSI 88 exhibition with a demonstration of developments. Beyond that there is the possibility of a European-based exhibition and conference on open systems in the mid-

dle of next year.

As the Eurosinet members also well down the road to final stage their demonstrations, they will add more detailed parts of dors stick to this protocol, their

A common applications environment is also under development. This would create an environment inwhich an application could be run whatever the operating sytem and be accessible to any user over local or wide-area

The Unix community through X/Open was making good head-way towards this objective, high cal way of transferring data, way towards this objective, high transactions or applications on the list of priorites for users eavals inthe Unix community

> The fourth standard under development which will have a large impact on open sytem interconnection is Intergrated Services Digital Network, (ISDN). ISDN aims to unite voice and

data traffic over the same circuits and create enough space for images. The idea behind it is that customers will get one cahle into About eight have implemented their locations over which all file transfer in an early version their communications traffic will

don, published in December last Pilot ISDN sevices were started as early as 1985. The crucial stan-Vendors who are willing to dards for ISDN, which include take part in the public demon the abiltiy to offer public ISDN strations tend to be more services, will be finalised in the advanced in their adoption of open systems than others. Pro-Continuing observation of the devlopments in Eurosinet will show propective customers how

> \*The OSI Handbook, Questions and Answers: available from ICL sales staff or from NICL's Network: Systems Services, ICL Net-

ing for example, is an alternative

The International Packet

Switching standard is X25, pro-mulgated by the Consultative

Committee on International Tele-

graphs and Telephones (CCITT).

When IBM first launched its

new generation of terminal con-

formed to SNA they did not include an X25 protocol. But

within a short period of time of

the first approval of X25 hy CCITT in 1977. ISM was provid-ing bridges to the public net-works which adopted it, the French and Canadian public

packet switched networks. IBM has amended its products as X25 has evolved into the 1980 stan-

dard formally adopted by the

in a further step IBM has taken

allow mainframes running the IBM VM operating system to

seen crashing of computers, ter-minals or communication lines in

nical world where security is less

problematic and users are more tolerant of hardware and soft-

cated to OSL

ferently from, and have different to the circuit switching protocol applications to, the seven layers of IBM's SDLC.

Richard Sharpe



IN PREPARATION for the European Pavilion at the Enterprise Networking Event (ENE '88) in Baltimore (June 5 - 9), the centre of ictivity has been the PERA site (above) in Melton Mowbray. The main elm of ENE '88 is to show how business commu from all sectors of industry, can capitalise on the latest networking technologies and OSI standards.

The European Pavillon features an Enterprise Job Shop collaborative venture between the Department of Trade and Industry and leading companies in the field of computer integrate

The display simulates a complex manufacturing enviro

erating as one integrated system

#### The impact of public and private standards groups

# Unstoppable momentum

THE NOTION of open systems for the computer industry has attracted the interest of users for at least three decades. But it is only since the late 1970s that the issue has been tackled systematically, and a genuinely strong momentum to the standards drive developed just five or six years ago. This bandwaggoo has been pushed along by a variety of standards-setting and monitoring

Like most pascent industries, computing grew up in a rela-tively free-for-all environment in which manufacturers effectively set their own standards. From the user point of view

this has led to two main probems. On the one hand, it has become a difficult and expensive task to make computers produced by different manufacturers comnunicate with each other, on the other, applications software developed for the machines of one producer would not work on

the equipment of another.

The first significant attempt to impose some guidelines to cover all producers in the communica-tions area came from the International Standards Organisation in

In 1977, the ISO, the main worldwide co-ordinating standards body, began work on a set of guidelines aimed at governing the flow of data between different computers on a network. Called Open Systems interconnection (OSI), this system was aimed at developing a list of protocols, or rules, that would govern the way computers went about organising various parts of their activities their data storage, for example, or the way they ensured security of information, and the manipula-

would allow it to be transferred to other machines. Although the OSI rule book is Although the UNI rule book and not yet complete, the guidelines compoter brands.

Its aim has been to create what it calls a common applications environment — a set of rules that the base on which appligrowth of open systems in the US and Europe. These standards have been particularly important as a support for Governments that have been trying to give a lead to the development of open systems through their procure-

tion of data into a format that

ment policies. While the ISO has been pushing steadily ahead with the development of a general framework for open systems, a number of

The CCITT has been responsi-ble for establishing the X.400 system of electronic mail transfe

which now allows users to send messages from their computers across international telephone

Second, is its choice of Unix as the operating system on which to standards that fit what they have to offer, rather than developing genuinely open architectures, determined by customer requirements," he

tively to a market need.

dards. To speed up the develop-ment of open systems, it argues,

it makes sense to establish a con-

sensus around proprietary prod-

ucts that have responded effec-

Rank Kerox does not ma facture traditional mainframe or mini computers. To satisy its market – the office – it has to be committed to open systems and connectivity to other manufacturers' equip-

"But how can a system called 'open' if it does not take the user into account? There is no value in machine inter-connectivity if most users are unable to easily access the technology," adds Mr O'Brien. "The computer industry has to put its customers first and

dards in open systems, but also allows multi-manufac-

☐ The X/Open consortium of X/Open came into being in Europe four years ago in an attempt to establish de facto standards that would allow users to invest in a variety of different

The infighting between major

computer manufacturers over

Unix has more to do with

self-interest than with open

systems, comments David

O'Brien, managing director of

These manufacturers "are

trying to establish industry

Rank Xerox (UK), above.

establish a base on which applications software can be written for machines from different manufacturers.

To achieva this objective, X-Open is working internationally, bringing as many producers as possible into the consortium, and setting up advisory groups with software vendors. Its mem-bers include AT&T, Bull, Digital

turer solutions that place 'useability' above all else."

The significance of the Unix decision is clearly evident today, following the rows that have bro-

other organisations, have begun to tackle more specific problems. These bodies include:

Equipment, Ericsson, Hewlett-ken out over the future development to tackle more specific problems. These bodies include:

Equipment, Ericsson, Hewlett-ken out over the future development of this operating system between two rival camps of US-vettl, Philips, Slemens, Sun between two rival camps of US-vettly problems. and Telegraph Consultative Committee (CCITT), a quasi-Government group involved in telecommunications standards-setting.

The CCITT has been munications standards-setting.

The CCITT has been munications standards-setting.

The CCITT has been munications standards-setting.

☐ The Corporation for Open Established by a group of US

companies a year after X/Open. COS grew out of computer manu-facturers' needs to test their com-pliance with international standards, and is now developing a series of programmes that will test products against the rules on open systems interconnection. Although the group's two ini-

tial test programmes were deliv-ered a year late, it has attracted 84 members, and is expecting to release a further three programmes this year. A similar ini-tiative under the SPAG group has been launched in Western

Europe. The Institute of Electrical and Electronics Engineers. The Institute, based in the US, is working on the development of a new method of solving the problem of matching applications programmes to operating systems. Under this approach, a new standard interface, called Posix, would be developed. This

could be fitted to any operating system, including Unix, and would be able to drive any Unixaccept that it not only sub-scribes to international stantype applications software.

Posix is almost certain to play

an important role in the battle over the development of Unix. This row, which has seen the base its standards-setting pro-gramme. Applications software around AT&T on the one hand, gramme the pleasure provided by and IBM on the other, has underrests on the platform provided by and IBM on the other, has under-rests on the platform provided by accred the importance of the X/ a computer's operating system . Onen initiative in moving indeed, the reason that most Open initiative in moving applications programmes are not transferable between the machines of different manufacturers is that they were written for use with a specific operating some companies are still susfor use with a specific operating system.

To avoid this problem, X/Open systems than adopting a standard decided to standardise on Unix, approach. This new attitude individual to the standard approach of the system invented by a standard approach. an operating system invented by cates that the pioneering work AT&T, the US telecommunications group, hut licenced so freely that it was not regarded as proprietary.

approach. This new approach that the pioneering work is suched by the public and private standards bodies over the last ten years has developed an unstoppable momentum.

> **Terry Dodsworth** Industrial Editor

#### OSI 'coming together'

OSI It is more advanced because through the international stan-IBM began working on an overall dard bodies. So far, three are architecture of data communication worth comment — Packet

(SNA) and that IBM is out of step was Synchronous Data Link Conwith a growing groundswell of trol (SDLC). Software in the

international vendor and user-mainframe in communications controllers close to the main-

After a decade of development, this is the year in which all the this is the year in which an the threads come together for OSI in relation to customers, products and test services, com-ments Dr Robin John, (right), senior manager for communi-cations software development, Concurrent Computer Corpora-tion and convenor of the ISO working group for specific application services - SC21/WG5.

"Major customers have a substantial annual speed on substantial annual speed on data processing equipment and, hy making the availability of OSI products a condition of procurement, they are able to exert considerable leverage on suppliers," he says. This lever-age is occessary "in view of the major up-front investment needed by suppliers to produce

complete OSI product sets. It is worth noting that in both Europe and the US, there is legal backing for government procurements to be based on the use of ODSI standards."

He adds that 1988 "will be He adds that 1988 "will be the year in which OSI becomes a reality, when the customer can, with confidence, buy full OSI products off-the-shelf."

The first products available will be for FTAM and X.400, representing the initial fruits of a 10-year programme of international and multi-vendor collaboration.

To follow in 1989 will be ini-tial products supporting the OSI Virtual Terminal stan-dards, which will be completed before the end of this year, be





developing two parallel but sepa-rate applications environments for its computers. Systems application architec-VNet has far lower security ture is the SNA of applications - than SNA and less elaborate a uniform set of standards and methods of handling the unfore-

prietary way of doing it. At the same time IBM's Unix-like operthe network. It is therefore well ating system, AIX, provides suited to the academic and tech- another way running on much of the same hardware. IBM is rich enough to run two

ware problems.

But for the larger commercial doing the same with SNA and customers in the IBM camp those that buy mainframes in large game and the closed world of its numbers providing a third of own making.

numbers providing a third of own making.

IBM's worldwide turnover and a half of its profits of its products, faced with IBM wherever thay such as the way IBM continues to point to. Future IBM networking products will incorporate SNA features. They will also provide their operations and OSI for external links. The public game has IBM in it, with all of its sellios Zographos, the manager of communications consulager of communications consul-tancy services at BIS Applied

#### PERA LEADERS AT BALTIMORE NETWORKING EVENT



□ THREE of the leading figures of PERA (the more this week; from left to right - Mr Ron Production Engineering and Research Association of Great Britain, based at Melton Mowbray, Leicesterahire), who are at the European Pavilion of the Enterprise Networking Event in Balti- Comcentre.



Armstrong, PERA's director general; Mr Malcolm tion; and Mr Ralph Purdue, technical manag

<sub>∪</sub>G φ 1982

fatere deck

Contract T

The second

ution for the

a chospet a what kon a han these a han these are discal

of thereters

deren the r

and the size

giong & the

I'll " More C

of the airse distributed for stone c

n i sander

10 10 C

Red is Not

ate of Petr l ngiệc (th

in we miss of the sector e entrope

to open a suppose of the contract of the contr

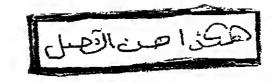
e centinal

arra Dedara

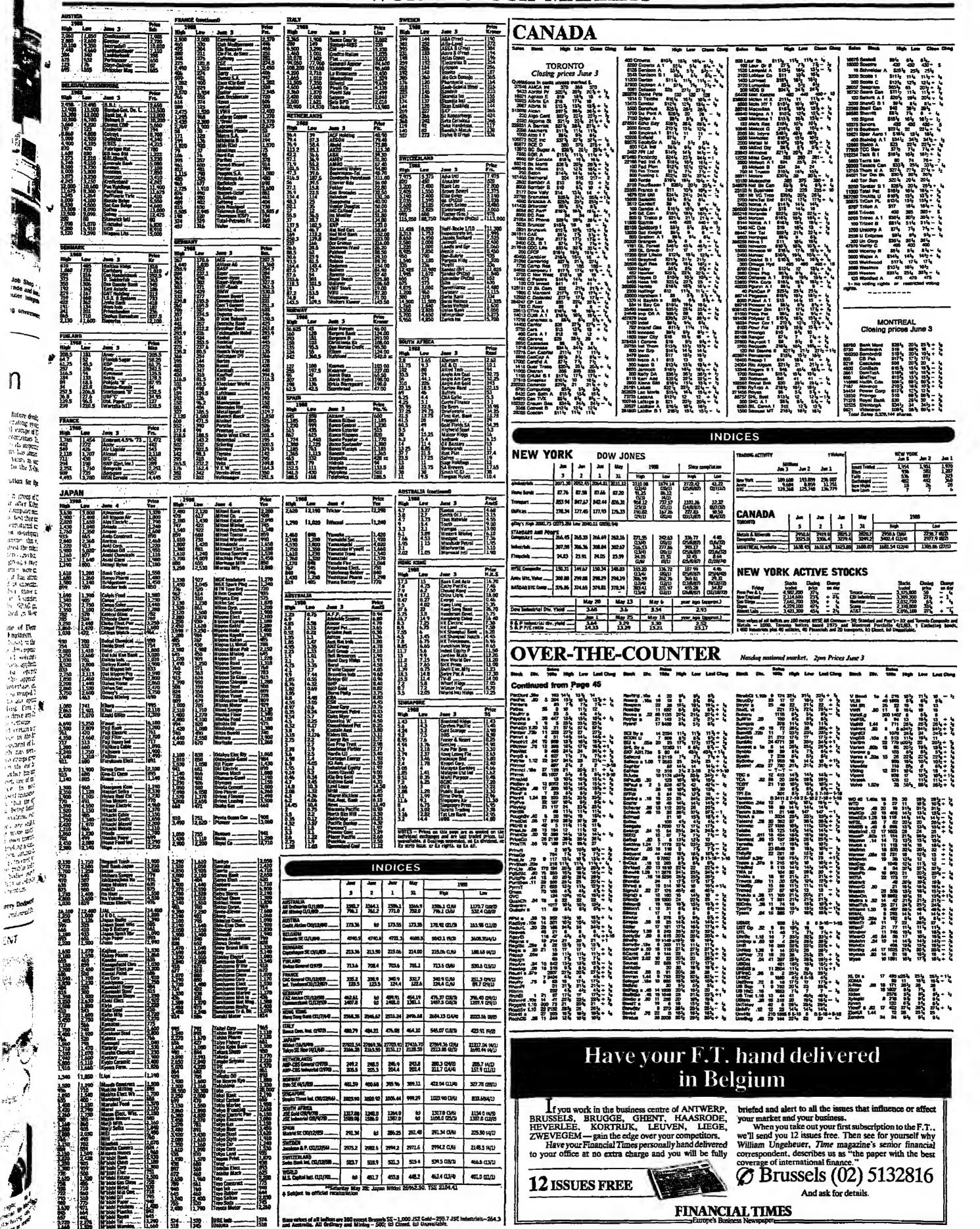
(NT

( <u>1</u> <u>2</u> <u>1</u>

e: 📆



#### STOCK MARKETS



# NEW YORK STOCK EXCHANGE COMPOSITE PRICES Closing Prices June 3

| Fig. |

| Reg. | Learn | State | State

| 1412 | 1415 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 | 1416 |

Have your F.T. hand delivered in Germany

If you work in the business centres of Hamburg, Berlin, Düsseldorf, Neuss, Köln, Bonn, Frankfurt, Offenbach, Höchst, Eschborn, Rüsselsheim, Mainz, Wiesbaden, Mannheim, Ludwigshafen, Stuttgart, München, or in the Taunus area - gain the edge on your competitors.

Have your Financial Times personally hand delivered to your office at no extra

12 ISSUES FREE

market and your business. When you take out your first subscription to the F.T., we'll send you 12 issues

charge and you will be fully briefed and alert

to all the issues that influence or affect your

free. Then see for yourself why William Ungeheuer, Time magazine's senior financial correspondent, describes us as "the paper with the best coverage of international

Frankfurt 0130-5351 for the cost of a local call and ask Karl Capp for details.

FINANCIAL TIMES

Have your F.T. hand delivered . . . at no extra charge, if you work in the business centre of ATHENS

(C) Athens (01) 7237167

And ask Bill Vogiatzis for details or call
Hellenic Distribution Agency on Athens (01) 9919328/9922483

**FINANCIAL TIMES** 

Sinck Chr. |
ATTAE ATTAE

هكذا صن النَّ عل

## Sime | Close | Clos

R3行164116四条的管路的管本直升441112251211613A1898122116511

Closing Price

130 % 1000 24 % 11mm 37 % 97 % 97 % 97 % 97 % 97 % 1115 1000

Cleating Price P

LONDON RECENT ISSUES

#### CURRENCIES, MONEY AND CAPITAL MARKETS

#### FOREIGN EXCHANGES

## Pound adjusts to a stronger dollar and D-Mark

THERE WAS a certain tempta-tion to say I told you so among some of the pundits in the City

Barclays de Zoete Wedd even spelt out these words reading down the first letter of each line on one of their Reuter Monitor

This subtle form of self congratulation was not lost on everyone in the market, although according to BZW the general change of sentiment, out of sterling and into the dollar, was not noticed until it was too late by

most traders.

Perhaps the reason it was missed was thet the market was too blinkered in watching sterling's value against the D-Mark,

£ IN NEW YORK Previous Clase June 3 Close L 7955-1.7965 0.10-0 09pm 0.49-0.47pm 2.05-1.95pm 1.8035-1.8025 0.08-0 01.6s 0.36-0 07.6s 1.93-0.88pm

STERLING INDEX

**CURRENCY RATES** 

June 3

**CURRENCY MOVEMENTS** 

OTHER CURRENCIES

7.3755-7.3975
246.20:7.3975
14.0485-14.0625
125.20
1317.19-1327.0
0.49520-0.49570
64.65-64.75
40.97.85-41.09.15
2.5705-2.5755
6.7385-6.7445
3.6330-3.6390
4,0128-4.0285
5.2470-5.3690
51.55-7.905-6.0050 4.1040 - 4.1040 - 4.1040 - 4.1040 - 4.1040 - 4.1040 - 4.1040 - 134.85 - 7.81.55 - 66.65° 72.99 - 736.50 - 275.70 - 2.52.52 - 2.54.50 - 2.254.50 - 2.254.50 - 2.054.50 - 2.052.50

**FORWARD RATES** AGAINST STERLING

Spot and miles arites arites 1.7950 1.7952 1.7967 1.7967 1.7967 1.7967 1.7967 1.7967 1.7967 1.7967 1.0067 10.467 1

**MONEY MARKETS** 

A strong test of whether the dollar has really turned the cor-ner may come on June 14, with

publication of the US trade figures for April.

These are widely expected to show a deterioration from the \$9.75bn deficit in March.

\$9.75nn deficit in March.

Sterling was very volatile last week, moving through a 10 pfennig range, from DM3.1950 in Frankfurt on Monday - when London was closed for the bank holiday - to DM3.0950 on Thursday, shortly before tha Bank of England signalled a rice in bank England signalled a rise in bank base rates.

of the dollar.

BZW has focused its attention

on the level of US savings, and its effect on funding the very large budget deficit. According to BZW, savings as a ratio to income in the third quarter of 1987 was at a post war record low of 2.8 p.c., making the US heavily dependent on foreign investment to fund the deficit.

In the last quarter of 1987 the the savings ratio rose sharply to 4.8 p.c., and in the first quarter of this year was steady at 4.7 p.c.
This means that personal

+1.01 -0.59 -0.40 +0.46 -0.75 -0.20 +3.28

ase rates.

Savings are higher than the hudBut according to one school of get deficit for the first time in

43 3790 7.89694 2.07413 7.01563 2.32891 0.775755 1542.10

POUND SPOT- FORWARD AGAINST THE POUND

**OOLLAR SPOT- FORWARD AGAINST THE DOLLAR** 

**EURO-CURRENCY INTEREST RATES** 

**EMS EUROPEAN CURRENCY UNIT RATES** 

and failed to see that the dollar's steady downward slide had come the pound's reversal was largely the result of the return to favour the secret of the return to favour the secret of the return to favour the result of the return to favour the secret of the return to favour the secret of the sec

Divergence limit, %

P.L.

% 92

0.46-0.41pm 0.40-0.52cis 41-31pm 50-32pm 51-32pm 51-13pm 0.25-0.35ci 44-33pm 164-270ci 48-76cis 117-131si 31-14pm 4-54cis 23-24pm 25-24pm 4-32pm

icy will make savings even more attractive, reducing the reliance on foreign investors to fund the

0 04

0.02

LIFFE E/S OPTIONS £25,000 (costs per £1)

above its 200-day moving average on charts for the first time since the beginning of last year. The 50-day moving average is also

moving up.

Warburg Securities tends to subscribe to another school of hudget deficit, and removing a major reason for a bear market in the dollar.

A change in favour of the dollar was also suggested by Mr Neil Mackinnon, an economist at Nomura Research Institute, who points out that the dollar is warders securities tends to subscribe to another school of the US currency are likely to have increasing importance.

Sterling's index closed at 76.2 on Friday, a fall of 2.0 points on the week. Mr Mackinnon soggests that 75.4 is likely to ba the next level whare the Bank of England will consider another school of the control of the dollar has not turned the week. Mr Mackinnon soggests that 75.4 is likely to ba the next level whare the Bank of England will consider another rise in base rates.

deficits will pull the dollar lower

obvious implications for sterling to the next few months. Mr Mackinnon said he believes the Bank of England has turned its attention away from the D-Mark, and hack to the pound's

exchange rate index.

The dollar has a heavy waiting

Strike Proce 1.70 1.75 1.85 1.90 1.95 130 035 036 036 530 750 1250 18 65 7 90 1 50 0 33 0 30

Estimated unleme total, Cails 1132 Pots 1401 Previous day's open Int. Calls 15353 Puts 21774

5ep 1.49 2.47 1.74 1.15 0.78 0.38

LIFFE EUROCOLLAR OFTIONS Sim points of 100%

Estimated volume total, Calls 0 Puts 75 Previous day's open Int., Calls 1011 Puts 235

LONDON (LIFFE)

Estimated Volume 16676(30004) Previous day's open Int. 33699(3

Close High Low Pres. 181 40 182 20 181 30 180 95 182 55 183 20 182 50 182 10

Estimated Volume 1743(1506) Previous day's open int. 11561(11525) High 92,31 91.86 91.54 91.30

87-06 86-09

High 87-24 87-01 Estimated Volume 13133(7055) Previous day's open lot. 5524(5666 **CURRENCY FUTURES** LIFFE-STERLING \$25,008 \$ per £

Estimated Volume 66(34) Previous day's open int. 99(100)

1.mth. 3-mth. 6-mth. 12-mth 1.7942 1.7907 1.7845 1.7743 1.7950

#### later this year. The future of the dollar has

EQUITIES

5175

20/5 27/5

3/6 22/6

FIXED INTEREST STOCKS

FP FP 23.56 NI 350 FP. 40 FP. FP. FP. FP. FP. FP.

RIGHTS" OFFERS

GOLO C GOLO C GOLO P GOLO P

Low

17pm 27pm 30pm 750pm 24 15pm 15pm

d on full capital, a Reserved severed and years a twintered way new execute such popularial and all self divident care rate. Over head on previous year's exemings. L'extensived amenalised divident cover and type amond earnings M Unified and yield hazed on Prospectus or other official estimates for 1981 Q Gross R Forecast amenalised invited and yield hazed on Prospectus or other official estimates. W Pro Forma Tigories \$\pi\$ Issued by tendor \$\pi\$ Officers to holders of as e "rights". I introduction \$\pi\$ Placetag order. Pre-format Tigories \$\pi\$ Issued by tendor \$\pi\$ Officers to holders of new \$\pi\$ Officers to holders of the property of the pro

Vol List

196 145 2

52 16.50

3.40 B 3.20 7.10

. . .

7 )<sub>2-9</sub>

216 5

**EUROPEAN OPTIONS EXCHANGE** 

in the index calculation, and therefore movements in the value

Calls Sep 657 508 334 213 113 40 F8258855588 7 m 3 20 83 240 522 915 0ec 620 454 338 237 149

CHICAGO

U.S. TREASURY BONDS (CBT) 8% \$100,008 32ads of 100% 83-0I B3-12 DESITSCHE MARK III DW125,000 S per DM

93 13 92 93 92 85 92 73

Central Capital .

Jen Sec Jen Jen Sec Jen Sec Jen Sec Jen

THREE-MONTH EUR \$1:0 points at 100%

**BASE LENDING RATES** 

Rat Bk of Kewait ABA Sant
Adara & Company
Adara & Company
AB - Allied Arab Bk
Allied Irish Bank
Henry Ansbacher
ARZ Banking Group
Associates Cap Curp
Authority Rank City Merchants Bank ..... Clydesdale Bank ..... Nat Westminster Northern Bank Ltd ... Norwich Gen, Trust ... Comm.Bk.R.East Co-operative Bank
Cyprus Popular Bk
Duntar Bank PLC
Duntas Lawrie
Equatoria Bank plc
Exeter Trust Ltd PK Finans, JeiliUlO. A. Raphard & Sous. Authority Bank \_\_\_\_\_ 8 & C Merchant Bank ... Roxburghe G'rantee ... Royal Bk of Scotland Royal Trust Bank Smith & Willows Secs. .... Standard Chartered Financial & Geo. Sec. First National Bank Pic...

Robert Fleming & Co......
Robert Fraser & Ptors..... HFC Bank PLC. Hill Sarouel
 C. Hoare & Co
 Hoogkoog & Staugh
 Lloyds Bank
 Meghraj Bank Ltd
 Midland Bank Bertiner Bank AG ...... Brit Bk of Mid East ..... Brown Shipley .....
Business Mirge Tst ....
C. Bank Nederland ... Members of British Merchant Banting & Securities Houses Association. ° 7 day deposits 3.00% Saventse 5.66%, Top Tier-E10,000 +

150 344 344 304 95 1151 30 18 3 13 305 80 204 200 267 73 3.80 1.80 0.90 0.30 5.70 51557 10.50 A 4.20 1.90 2.40 65 1.50 84 52 76 208 128 140 132 14 132 100 47 113 3 ABN P AEGON C AEGON C AEGON D ANGU D AKZU C AKZU C AMRU C AMRU C AMRO P BUHRMANN-BUHRMANN-BUHRMANN-BUHRMANN-BUHRMANN-GLSEVER C ELSEVIER C ELSEVIER C GIST-BROC C 15311111 5.50 15257 11 50 22

> TOTAL VOLUME IN CONTRACTS : 34,152 A-Ask B = BM C - Call

## Base rates look set to move up again

0.452 1.546

**EXCHANGE CROSS RATES** 

YEN DM

DM

3.100 1.727

13.72

2.961 1.200

0.891 1345

1.402 4.791

226.0 125.9

215.9 87.50

3*.*377 46.33

10. 4.053

3.009 4.542

There appears to have been a fundamental change in senti-ment, brought about by a recov-ery in the dollar and the D-Mark, which has left the pound looking vulnerable to a move of specula-

STERLING'S DECLINE last week traders unwound long brought about a welcome opportunity for the Bank of England to signal a rise in UK bank base last week traders unwound long positions in the pound and short positions in the D-Mark, leading to a realignment of the two cursus large scale, hut may be used to

UK clearing bank base leading rate 8 per cent trem June 3

tive money out of London.

Mr Nigel Richardson, at Warburg Securities, said that during eign exchange intervention and

FT LONDON INTERBANK FIXING C11.00 a.m. June.30 3 months US dollars 6 moetls US Dollars affer 712

The finding rates are the arithmetic means rounded to the meanest one-sinteenth, of the ball and offered rates for \$1,0m quoted by the market to five respecte banks at 11.000 at which worther day. The banks are Mational Westerinster Bank, Bank of Tolero, Deutsche Bank, Banner Mational de Paris and Morgan Gearnary Frest. BANK OF ENGLAND TREASURY BILL TENDER

					_
	June 3	May 27		June 3	May.27
Esils on offer Trust of applications Total adocated Minimum accepted bid Allotment at injulenum level	£100m £317m £100m £97.925 56%	£100m £644m £100m £98.215 100%	Top accepted rate of discount	8.3228% 8.1267% 0.2948% £100m	7.1596% 7.1506% 7.2804% £100m
				-	

WEEKLY CHANGE IN WORLD INTEREST RATES

TOMOO M	7667	change	NEW YORK	June 3	change
Sast rates	.8	Hach'd	1 Prime rates	9	Uncir'd
day interbank	i <del>(</del> 3	+1.3	Federal Funds	711 6.68 7.12 7.625	-0.01
Freedom Bul Tender	7tl 8.1267	+0.9761	] 6 Minth. Treasury Bills	7.12	-0.08
Bass 1 Birls	l 73	+12	3 Mtb. CD	7.625	-0.100
Band ? Bith	77.84	1 :	FRANKFURT		
Band 3 Birls		1 :	Lombard	4.50	Bactr'd
3 Meb. Treasury Bill	85	+14	One rath, interbank	4.50 3.350 3.575	-0.05
1 Mttb. Bank Bilts	雜	+1 k +1 k +1 k		3.575	-0.05
3 Mtb. Bank Bills	734	+1.4	PARIS		
DKYO	1		Intervention fate	7.00	0,25
One month Blits	3 90625	-0.0625	Three south	7 <b>2</b>	1
Three month BUS	3.96875			/ 20	
RUSSELS			MILAN One smooth	107	
One pronth	64	Unch'd Clack's	Torrer trooth	10% 11	Become
Tirree month	6,4	والجنس		**	J (600)
MSTERDAM		1 -	DUSLIN		! _
Ope wanth	32	花。	One month	7%	+5
Three morth	44	TÚ	Three month	7%	+4

nterest rates to direct sterling's Mr Richardson said he does not believe the authorities will go for Intervention is not expected on 8 rise of 1 p.c. at a time in rates,

Clars: two years 84-84 per cent; three years 94-84 per cent; four years 94-9 per cent; five years had. Short term years are cell for US Dollars and Japanese Yes; others, two days' notice.

2.583 1.439

0.833 11.43

2.467 1

0.742 1.121

1.168 1.992

You F.Fr. S.Fr. H.FL. Ura C5 8Fr.

1.123 15 40

3.324 1.347

1.510

1.574 5.379

743.5 10199 0.733 9.783

2202 892.4

662.4 1000.

1043 3563

2.112 0.856

0.635

3.417

20,07 286.3

61.08 25.05

18.59 28.07

s large scale, hut may be used to smooth the pound's decline, and insure there is no threat of stermove higher. Three-month ster-

ling going into free fall.

Interest rates are likely to sure on the pound has finished. Mr MacKinnon, at Nomura, ling interhank discounted another rise of ½ p.c. in base rates at Friday's close, and at one agrees that the authorities will welcome the chance to raise time during the day pointed towards an increase of 1 p.c.

interest rates, and that the next upward adjustment is likely to be another ½ p.c. to 8½ p.c. MONEY RATES NEW YORK Treasury 811s and Bonds
5.89 Three yea
6.14 Four year
6.66 Fire year
7.05 Serin year
7.52 10-year
8.04 30-year 3.25-3.9 74-74 14-14 34-34 34-39 146875 93-104 5-55 63-74 3,35-3,50 7&-7&

LONDON MONEY RATES One Year 9∄ 9å 94 94 83 915 7.80-7.75 616 616 616 616 8,25-8,20 6 6 6 6 4 7 Transary Ottle (self) one-month 7'd) per cent; three months 8's, per cent; Bant Bills (self) one-month 8's, per cent; three months 8's, per cent; three months 8's, per cent; Transary Bills; Newbaye tenter rate of infection 8.1287 p.c. ECGO Fixed Rate Sarriany Export Finance. Make up day May 3's 1988. Aspect cases for period June 25, 1988 to July 25, 1988, Scenen 19 3'y 7. L., Schooles 18 d. 19 3'y 9. L. Reference rate for period June 26, 1988 to July 25, 1988, Scenen 19 3'y 7. L., Schooles 18 d. FT – ACTUARIES WORLD INDICES

instant access 7.50% & Mortgage base rate. § Demand deposit 3.00%. Mortgage 9.125% - 9.5%

Jointly compiled by the Financial Times, Goldman, Sacks & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL ANO REGIONAL MARKETS	FRIDAY JUNE 3 1988					THURSDAY JUNE 2 1988			DOLLAR INDEX		
Figures in parentheses snow number of stocks per grouping	U5 Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Olv. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1988 High	1988 Low	Year ago (approx
Australia (88) Austria (16) Belgium (63) Canada (125) Denmark (39) Finland (25) France (128) West Germany (99) Hong Kong (46) Ireland (28) Majaysia (36) Mexico (14) Mexico (14) Mexico (14) Norway (25) South Africa (60) South Africa (60) Sevice (36) Sevice (3	121.67 121.56 128.28 134.55 95.05 77.02 102.60 132.88 70.53 170.05 140.36 160.74 105.16 82.00 122.14	######################################	119,02 72,949 100,496 110,513 178,514 105,13 140,745 140,745 140,745 140,745 111,73 140,74 111,73 140,74 111,73 140,74 111,74 111,74 111,74 111,74 111,74 111,74	118.70 78.77 108.36 114.59 115.92 86.96 69.15 102.94 120.68 135.33 139.66 401.05 93.04 401.05 93.04 104.49 104.49 104.49 106.27 71.01 111.94	376631151125112511376844936251324493625149783890936749343434	141.88 87.80 120.92 120.82 128.13 132.92 95.09 76.64 101.74 133.80 71.11 168.97 139.54 157.71 104.27 81.63 120.62 115.96 130.50 155.58 123.97 78.87 135.28	116.86 72.316 99.553 109.32 109.32 109.32 109.32 139.17 139.17 139.17 149.88 128.15 149.88 14	117.67 78.77 108.40 107.87 114.96 87.03 68.71 102.07 121.87 68.14 139.12 394.69 92.16 103.43 108.05 134.72 111.43 108.05	145.74 98.18 139.89 125.49 129.52 134.55 95.67 80.79 105.83 135.14 177.27 140.36 82.00 132.23 117.15 139.07 158.30 125.50 86.75 141.18	91.16 84.35 99.14 107.06 111.42 106.78 72.77 67.78 84.90 104.60 62.99 133.61 107.83 90.07 95.23 64.42 97.99 118.16 130.73 96.92 75.60 123.09	133.80 87.70 115.82 126.42 117.93 108.87 90.76 121.15 124.69 99.18 154.34 172.21 205.24 115.80 94.68 139.17 144.43 157.77 112.81 112.59 93.42
Europe (1013) Pacific Basin (673) Euro-Pacific (1686) North America (704) Europe Es. UK (686) Pacific Ex. Japan (217) World Ex. US (1885) World Ex. UK (2137) World Ex. So. Af. (2404) World Ex. Japan (2008)	107.86 166.38 142.98 109.21 90.67 122.24 142.18 128.55 129.12 109.55	+0.3 +0.7 +0.6 +0.4 +1.2 +0.6 +0.5 +0.5	89.08 137.42 118.09 90.20 74.89 100.97 117.43 106.18 106.65 90.48	93.50 133.28 117.45 108.53 81.97 107.59 116.97 114.25 114.25 114.21	3.79 0.72 1.66 3.57 3.30 3.97 1.73 2.12 2.31 3.68	107.54 165.27 142.19 108.73 90.32 120.75 141.35 127.83 128.46 109.05	88.58 136.13 117.12 89.56 74.40 99.46 116.43 105.29 105.81 89.82	93.11 133.02 117.14 108.06 81.66 106.76 116.62 113.88 113.84 102.68	110.71 172.26 147.53 111.28 92.81 122.24 146.49 130.28 130.96 110.99	99.19 97.01 130.81 120.36 99.78 80.27 87.51 120.26 111.77 113.26 100.00	120.26 118.68 152.26 138.86 120.59 101.41 126.91 138.66 130.00 131.29 120.60

Base values: Dec 31, 1986 - 100; Finland: Dec 31, 1987 - 115.037 (US \$ todex), 90.791 (Pound Sterling) and 94.94 (Local). Copyright, The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co. Ltd.1987

